



FINAC

FINancial management,
Accounting & Controlling
in public administration

FINancial management, Accounting and Controlling curricula development for capacity building of public administration / FINAC

RESEARCH REPORT 1.1: ALBANIA

Mapping of current level of knowledge of employees in public administration in
the field of financial management, accounting and control



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Contents

INTRODUCTION.....	Error! Bookmark not defined.
METHODS.....	Error! Bookmark not defined.
Design.....	Error! Bookmark not defined.
Measurements.....	Error! Bookmark not defined.
On-line survey.....	Error! Bookmark not defined.
Interviews.....	Error! Bookmark not defined.
Participants.....	Error! Bookmark not defined.
Characteristics of the realized sample.....	Error! Bookmark not defined.
RESULTS.....	18
Financial management and control.....	18
Programme budgeting.....	36
Budget implementation and accounting.....	53
Managing public policy.....	62
Internal audit.....	72
CONCLUSIONS.....	85
REFERENCES.....	94
ANNEXES.....	Error! Bookmark not defined.
Annex 1: Questionnaires.....	Error! Bookmark not defined.
Annex 2: Guides for interviews and accompanying documentation.....	153
Annex 3: List of participating institutions in on-line survey and interviews.....	167

INTRODUCTION

This research report is written in the framework of the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogram *Capacity Building in Higher Education*, as a part of its Work package 1: Mapping & reporting about current capacities of public administration employees in Albania & Serbia. Project is implemented in Serbia and Albania and the project consortium involves 12 partners¹ (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences.

The central aim of “FINancial management, Accounting and Controlling for capacity building of public administration” (FINAC) project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control, in Albanian and Serbian public administration. This aim will be achieved throughout meeting specific objectives: 1) Designing and developing three new master degree programmes in Serbia and two new master degree programmes in Albania in the field of financial management, accounting and controlling for capacity building of public administration in Albania and Serbia, 2) Provision of trainings at university centres/institutes for public administration employees in Serbia, 3) Modernization of one master degree programme in the field of public financial management in Serbia.

The project sets as a fundamental quality of future master and training programmes that they address and develop competencies that are in line with the ongoing national developments in public administration and, more specifically, in the field of financial management and control. These national developments, both in Albania and Serbia, are in many instances characterized by progressive harmonization with international standards of good practice, especially those which get significant attention within the process of accession in European Union. The pace and the quality of adopting and effective implementation of new practices of financial management and control and public administration in general largely depends on the level of capacities and competencies of public administration employees. Therefore, high quality education and training programs must acknowledge and address this element as well, so they can be tailor-made in both directions: national strategies and developments and current level of competencies of its civil servants. In this respect mapping current capacities of public administration employees in Albania and Serbia was seen as a crucial starting point for the Project in order to get valid findings which will guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees.

¹ University of Belgrade (Project Coordinator); University of Kragujevac; State University of Novi Pazar; Belgrade Metropolitan University; Ministry of Public Administration and Local Government, Republic of Serbia; Centre for Education Policy, Belgrade; University of Shkodra “Luigj Gurakuqi”; European University of Tirana; University of Split; Università degli studi “Guglielmo Marconi”; Masaryk University; Matej Bel University. More about the project - <http://finac.org.rs/>



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The starting point for mapping current capacities of public administration employees in Albania and Serbia can be found in the Reports of European Commission on progress in accession to EU of Albania (European Commission, 2015a) where it ascertains that 'Effective implementation and supervision of the FMC systems, and appropriate training for staff and senior programme officers, have yet to be ensured.', pp. 73) and in report for Serbia (European Commission, 2015b) where it says that 'senior public-sector managers will need to be trained to understand their specific role and responsibilities on financial management and control', pp. 72). In the phase of the conceptualization of the forthcoming research activities the focus was placed on its purpose and main goals, i.e. what kind of information would be most beneficial to the overall project aims and from whom they could be gathered. For that reason, the first steps included a sort of 'unpacking' the concept of financial management and control and thinking of other closely related areas. At the kick-off meeting of the FINAC project held in Belgrade, Serbia (November 2016) representatives of the project consortium partners discussed and adopted the research design proposal which posited main elements of the forthcoming research that was further elaborated in the forthcoming months.

Within Working package 1 of the FINAC project eight reports are envisaged as project deliverables based on agreed research exercise (four reports for Serbia and four reports for Albania):

- Report 1.1: Mapping of current level of knowledge of employees in public administration in the field of financial management, accounting and control;
- Report 1.2: Mapping of current qualification structure of public administration employees in financial management, accounting and control activities;
- Report 1.3: Teaching outcomes and harmonization of national strategies and EU directives in public administration;
- Report 1.4: Mapping of knowledge and expertise of trainers at the regional partner universities.

Regarding the WP 1.1 (Mapping of current level of knowledge of employees in public administration in the field of financial management, accounting and control) – which is the subject of this report – main areas of competence mapping that were agreed upon were: *Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Public policy management*. The way how these concepts were defined, operationalized and measured will be explained in detail in Methods section.

This report presents the process and outcomes (findings) of the research that was undertaken in Albania. A separate report deals with the research done in Serbia. The report, besides this introductory section, contains Methods section which in detail describes the research design, the sample, instruments and all the steps in the research process. It is followed by the section on results, the Conclusions section and the annexes where, inter alia, all the research instruments are to be found. This research report does not present the overall national context in terms of financial management and control and public administration in general and does not provide interpretations of the research findings in that respect. This is the goal of the separate report (work package 1.3.) - comparison of national developments and challenges and the research findings in the investigated fields ending with a set of recommendations for master programme and programme of in-service training of public servants.

The lead consortium partner responsible for the research design, its organization and administration, data analysis and the writing of the reports was the Centre for Educational Policy from Belgrade, Serbia. For the part of the research conducted in Albania, the main partner was the European University of Tirana - its representatives were responsible for the planning and execution of various segments of the research process. Overall coordination of the research process done in two countries was overseen and supported by the coordinating institution - Faculty of Organizational Sciences (University of Belgrade).

METHODS

Design

Research was designed as a mixed-method research. Quantitative segment had a form of an on-line survey – participants were provided with a link to an on-line questionnaire. Qualitative part, in its data gathering segment, was done in a form of semi-structured interviews. Within data analysis both sources of information were complementary used to provide findings that depict the prevalence of certain phenomena, but also the meaning that interviewees attach to them.

Measurements

On-line survey

The goal of the research was to map current capacities of public administration employees in five broad areas: Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Policy management process². Measuring capacities or competencies can have several forms. First, there can be a direct measurement of competencies, via different kinds of tests (e.g. written test of knowledge and skills, performance tests, etc.) or via analysis of people’s work products. Another approach is more indirect and presumes reporting about competencies – one way to do it is by self-reporting i.e. people themselves assess and rate their competencies. Given the sensitivity of measuring professional competencies at work, especially with civil servants³, it was decided to take the less ‘indiscreet’ approach – self-reporting. On the other hand, if we opt for self-reporting approach and people are not convinced that the findings will not be used in any other way than for research purposes, we are facing a serious risk of getting socially desirable answers. In order to mitigate this risk, aside of assuring participants of anonymity of their answers, it was decided to go in the direction of self-assessment of professional development needs in very specific work practices. In a sense, this approach would provide more direct information needed for the project – what is that for what civil servants think they need more of professional development, for what they would appreciate more education and training. Findings in this form would be than easier to incorporate into curricula as teaching goals and student outcomes. On the other hand, this approach would ease conveying the message to the civil servants that participating in the research has as a purpose of informing the design of a future master programme and not an evaluation of their work in any sense. Finally, items in the questionnaires were not defined in the form of competencies but in the form of specific work practices for which participants assessed the need for

² Not all of the areas were initially planned by the project proposal - however, after FINAC project consortium partners jointly considered the conceptual framework of the research new topics were introduced (i.e. programme budgeting and policy management process).

³ In the time of cutting jobs in the public administration sector, more explicit measures of work competencies probably would be seen by participants as an evaluation of their work and thus as a possible threat to their job (if they not ‘perform well’). Given the voluntary participation in the project, this perception would strongly harm the response rate.



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further professional development. This also helped to assure participants that the activity is not their job performance evaluation.

For each item (specific practice, e.g. determining clear lines of reporting) participants were asked to assess to what extent do they need further professional development in order to perform each of the practices more effectively. They could mark one of the provided answers: High level of need; Moderate level of need; Low level of need; No need at all; and the last answer option was This is not relevant for my job position. At the same time participants were asked to state whether they take part in each of the practices listed (whether they actually perform it, organize it or manage/supervise it). Here, they could mark one of the following answers: Yes, to a greater extent; Yes, to a lesser extent; No; and This is not relevant for my job. The purpose of this question was to assess how often different practices in targeted areas (e.g. financial management and control, programme budgeting) are being exercised.

Table 1. Form of questions

	Part (A)				Part (B)				
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Specific practice 1	1	2	3	4	1	2	3	4	5
Specific practice 2	1	2	3	4	1	2	3	4	5
Specific practice 3	1	2	3	4	1	2	3	4	5

Needs for professional development of civil servants were measured in five areas: Financial management and control; Internal audit; Programme budgeting; Budget implementation and accounting; and Policy management process. Table 2 presents the number of items, i.e. specific practices per thematic area for which respondents self-assessed their needs for professional development. These practices were of similar level of specificity.

Table 2. Number of items/specific practices per thematic area

Thematic area	Number of items/specific practices
Financial management and control	34
Internal audit	74
Programme budgeting	28
Budget implementation and accounting	42

Financial management and control (FMC) in this research is understood as a system of policies, procedures and activities established, maintained and regularly updated by the organization, which provides reasonable assurance that the goals of the organization will be achieved in a lawful, proper, economic, efficient and effective manner. An integrated internal control system should be built-in into the organization's structure. Effective internal control is only achieved if it becomes part of the everyday tasks carried out by the staff at every level of the organizational structure (Central Harmonization Unit for Financial Management and Control, 2010).

This part consisted of 34 items, i.e. specific practices developed in accordance with the INTOSAI Guidelines for Internal Control Standards for the Public Sector (INTOSAI, n.d.) including integrated framework of internal control defined by Committee of Sponsoring Organizations of the Treadway Commission (COSO framework) (Committee of Sponsoring Organizations of the Treadway Commission 2013):

- 1) control environment** - sets the "tone" of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.
- 2) risk management** - includes identifying, assessing and controlling the potential events and situations that can have a negative impact on achieving the goals of the public fund beneficiary, with the task of providing reasonable assurance that these goals will be achieved.
- 3) control activities** - are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity's goals.
- 4) information and communication** - should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.
- 5) system monitoring and assessment** - includes introducing a system for overseeing financial management and control by assessing its adequacy and functioning.

The COSO framework is widely accepted framework for designing, implementing and conducting internal control and assessing its effectiveness. It is important to note that it is adopted as a framework for financial management and control both in Albania and Serbia, and as such built in relevant regulations (Albania: Ligj për menaxhimin financiar dhe kontrollin; Serbia: Zakon o budžetskom sistemu; Pravilnik o zajedničkim kriterijumima i standardima za uspostavljanje, funkcionisanje i izveštavanje o sistemu finansijskog upravljanja i kontrole u javnom sektoru). In that way, it became an operational guidance for public administration in both countries and thus justifies its incorporation into the research questionnaire.

Within each of the five elements of COSO framework a set of specific practices was defined for which civil servants had opportunity to state whether they take part in it and how much of the professional

development they need in order to perform these practices more effectively. Hereby, we provide a few examples of such practices (the complete questionnaire can be found in Annex 1).

Table 3. Examples of specific practices in Financial management and control section

COSO framework elements	Examples of specific practices
Control environment	Ensuring that employees are made familiar with the code of conduct. Determining clear lines of reporting.
Risk management	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs. Assessing the risks in terms of their impact and probability.
Control activities	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring. Ensuring that the procedures for access to data and records in place and applied.
Information and communication	Informing employees about long and short-term goals of the organization. Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control.
System monitoring and assessment	Monitoring of control adequacy to provide reasonable assurances that the organization is likely to achieve its objectives. Reporting on risk management and internal control within the organization.

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organization’s operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. (Relevant Internal Audit Standard Setters, 2012).

This part of the survey consisted of 74 items, i.e. specific practices of internal audit that were developed in line with International Standards for the Professional Practice of Internal Auditing (The Institute of Internal Auditors, 2016)(the complete questionnaire can be found in Annex 1).

Table 4. Example of specific practices in Internal audit section

Elements of internal audit	Examples of specific practices
Planning internal audit	Preparing a strategic plan of internal audit for a three-year period. Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation’s goals.
Assessment of organisation’s stance towards risks	Assessing whether significant risks are identified and assessed. Assessing whether appropriate risk responses are selected that align risks with the organisation’s risk appetite.
Evaluation of risk exposures	Evaluating risk exposures relating to achievement of the organisation’s strategic objectives.

	Evaluating risk exposures relating to reliability and integrity of financial and operational information.
Evaluating the adequacy and effectiveness of control in responding to risks	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation’s strategic objectives. Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information.
Planning and executing individual internal audit engagement	Establishing objectives for each internal audit engagement. Identifying sufficient, reliable, relevant and useful information to achieve the engagement’s objectives.
Audit reports, recommendations to the management and monitoring the follow up activities	Preparing audit reports with conclusions, recommendations and action plans. Monitoring the follow-up activities of management regarding the given recommendations.
Performing different types of internal audit	Performing compliance audit (analysing and assessing the compliance of organization’s operations with the laws, regulations, internal acts and contractual provisions). Performing audit of programs and projects funded by the European Union.
Focus on financial audit	Reviewing whether all income and expenditure is adequately planned, controlled and monitored. Reviewing whether managers are provided with suitable expenditure reports.
Human resource management audit	Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner. Reviewing whether training needs are assessed and appropriate training is provided and evaluated.
Methods and techniques for conducting internal audit	Using different methods of sampling including random, stratified, statistical sampling. Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data).

Programme budgeting as another area of interest of this survey is understood as a specific budgeting approach which allows for better management of public administration’s performance; ensures greater accountability of budget beneficiaries and closer ties between the annual budget, priority expenditures and outflows, and implementation of public policies; and makes spending more transparent. Programme budgets classify expenditures and outflows according to the specifically defined competencies and activities of budget beneficiaries, and so show: 1) Purpose for which funds are spent; 2) How such spending is aligned with medium-term objectives, and 3) What results are being achieved.

This part of survey consisted of 28 items, i.e. short descriptions of specific practices within program budgeting process. In the Table 5 a few examples of specific practices are shown – (a complete set is in Annex 1).

Table 5. Example of specific practices in Programme budgeting section

Examples of specific practices	
	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.
	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs).
	Defining efficiency indicators used to measure the achievement of results at an appropriate cost
	Allocating costs of using goods and services across programmes, programme activities, and projects.
	Reporting the achieved values through the use of selected indicators

Budget implementation and accounting were two additional areas deemed to be of importance to learn about the existence practice and needs for professional development of civil servants. This part of survey consisted of 42 items depicting practices of the execution of budget beneficiary's expenditures established in the budget, bookkeeping, producing financial statements, and management accounting. To this part of survey a set of question related to implementing procedures of financial management of European Union and co-financing funds was added (see Table 6 for examples of specific practices – full list is presented in Annex 1).

Table 6. Examples of specific practices in Budget implementation, accounting and reporting section

Area	Examples of items
Budget implementation	Planning budget implementation on a daily and monthly basis. Monitoring compatibility of accounting documentation with contracted values.
Bookkeeping	Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents. Controlling the accuracy of accounting records and compliance with procedures established by the regulations.
Reporting	Producing balance sheet. Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution.
Management accounting	Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...) Analysing the ability of organization to timely meet its financial obligations
Implementing procedures of financial management of European Union and co-financing funds	Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union). Reallocating of funds (under the management of financial assistance of the European Union).

Public policy management process – reforms in public administration place a lot of emphasis on improving the policy management process, i.e. planning, coordination, drafting, passing, implementation, implementation monitoring, analysis, impact assessment/evaluation of measures contained in policy documents and regulations. This survey addressed this important area of public administration through a set of 33 questions specifically dealing with: identifying and defining an issue that needs to be resolved by new policy, defining general and specific policy objectives and performance indicators, identifying policy options and analysing its impact, managing consultations about the new policy, monitoring policy implementation and policy impact evaluation.

Table 7. Examples of specific practices in policy management process

Area	Examples of specific practices
Identifying and defining an issue that needs to be resolved by new policy	Performing systematic analysis of problems in respective area, including examination of cause and effect relationships. When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like.
Defining general and specific policy objectives and performance indicators	Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation. Establishing performance indicators at the level of impact, outcome, and output indicators.
Identifying policy options and analysing its impact	Identifying different policy options to achieve set objectives. Examining significant direct and indirect effects of considered policy options on various population categories.
Managing consultations about the new policy	Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations.
Monitoring policy implementation and policy impact evaluation	Establishing framework for monitoring and evaluating policy implementation and its results. Monitoring the realization of set objectives for each of the defined performance indicator.

Additional information on respondents

Aside the main part of each questionnaire which dealt with main content areas (financial management and control, programme budgeting etc.), each comprised additional two sets of questions: background information and information on professional qualification (initial education and further professional development). In the Background information section respondents were asked to provide information about their:

- a) Age
- b) The type of institution where they work (answers offered: Ministry; Integrated authority within the ministry; Special organization; Government service (office))

- c) Sector of public administration where they work⁴
- d) Number of civil servants under his/her direct supervision
- e) Civil servants rank
- f) Years of work in public administration altogether
- g) Years of work in supervising (managing) position altogether
- h) *The size of internal audit unit (in terms of number of employed internal auditors)*⁵
- i) *Years of work as a certified internal auditor in public sector*
- j) *Experience of working as internal auditor in other sectors*

In the section dealing with initial education respondents were asked to provide information about their⁶:

- a) The highest level of formal education completed
- b) Country of study⁷
- c) Type of institution (Public or private)
- d) Name of university
- e) Name of faculty or higher vocational education institution
- f) Earned qualification (title designation)
- g) Year of graduation
- h) Extent to which competencies acquired during formal education are relevant for performing daily work
- i) Extent to which daily work requires performing activities for which one has not been educated during formal education

Finally, the section covering further professional development posed questions about up to three, in respondent's opinion, most important trainings (professional development activities) in the field of public administration they have attended:

- a) Area of the professional development activity
- b) Country where the training was held
- c) Duration of the training
- d) Year when the training was held
- e) Organizer of the training
- f) Whose initiative was to attend this professional development activity

⁴ Respondents could mark one of the following options: Agriculture and Rural Development; Science, Technological Development, and Innovation; Foreign Affairs; Environment; Energy, Mineral Resources, and Mining; General Public Administration Services; Transport and Transport Infrastructure; Labour Market; Social Security; Human Rights and Civil Society; Construction, Urban and Spatial Planning; Culture, Communications, and the Media; Sports and Youth; Public Security; Economic and Development Policy; Judiciary and the Legal System; Defence; Healthcare; Religious Affairs and Diaspora; Education; Political System; Financial and Fiscal System.

⁵ Questions under the i, j, and k are posed only in the questionnaire filled in by internal auditors

⁶ Analysis of initial education and further professional development of public servants was subject of a separate report (Work package 1.2.)

⁷ Questions from b) to g) were asked for three levels of education (First level higher education degree / bachelor degree; Magisterium / specialization / master degree; Doctorate / PhD degree)

g) The most important motive for further professional development

Questionnaire development and data collection. As previously mentioned, conceptual framework and the research design were adopted at the Project kick-off meeting held in November 2016 in Belgrade. In the next phase survey questionnaires were being drafted (in English language) and drafts were sent to consortium partners for a review in early February 2017. Questionnaires were amended in accordance with the comments received and translation of the final survey instruments into Albanian language was done by mid March 2017. On-line questionnaires were created using Qualtrics platform (www.qualtrics.com). In Albania, the survey commenced on April 7th when the research team from the European University of Tirana sent invitation letters with links to on-line questionnaires to contact points in participating institutions. In order to enhance the response rate, the second call for participation was sent on May 10th 2017. Data collection lasted until mid June 2017.

Interviews

Qualitative part of data gathering was done in the form of semi-structured interviews. Its purpose was to go more in depth of the investigated phenomena. The aim was to capture the perceived purpose and personal meanings that civil servants attach to emerging approaches in public administration – all areas that were subject to investigation in the survey were present as topics in interviews, as well: financial management and control, internal audit, programme budgeting, budget implementation, accounting, and public policy management. The focus of interviews was placed on perceptions of these processes in whole and their specific elements in terms of 1) its effectiveness, 2) biggest challenges, and 3) competencies of civil servants needed to be improved in order to be more effective in the tasks in the given area. Guides for semi-structured interviews were finalized in May 2017 and each of three guides were tailored to fit specific subsample of interviewees. Interviews were carried out in the second half of May and the first half of June 2017. The complete interview guides can be found in Annex 2.

Participants

The target population for this research were civil servants: top-level management, middle-level management, low-level management and expert level (specialist)⁸. More specific division of target sample of civil servants was influenced by the chosen topics for investigation. Three main sub-samples were defined: general managers⁹, financial departments' staff (heads of units and subordinate staff), and internal auditors. Accordingly, there was three different versions of on-line questionnaires consisting of a different combination of topics covered, corresponding to the responsibilities of a given type of job. To which set of questions a given sub-sample was responding is presented in the Table 8.

As stated above, the sample was limited to central, state administration authorities. It encompassed four types of authorities: ministries, integrated authorities within ministries, special organizations, and Government's services (offices). The sampling for the survey was non-probability - overall approach was to cover the broad range of central public institutions and to include the relevant personal in the research.

⁸ Categorization stipulated by Law no. 152/2013 for Civil Servant

⁹ By managers here we understand those individuals who are responsible for meeting organizational objectives in a specific functional area or line of business, disregarding their position in command hierarchy (ranging from, for instance in a ministry, assistant minister to a manager of the smallest organizational unit).

Overall, 46 public administration entities were reached in the survey (list of contacted institutions can be found in Annex 3). In the first step of participants' recruitment the contact points from public administration organizations were asked to disseminate invitation e-mail with a link to on-line questionnaire to all civil servants who satisfy required conditions (that is being a manager / working in finance departments / being an internal auditor).

Table 8. Distribution of sets of questions in on-line questionnaires to three sub-samples

Thematic area \ Sub-sample	General managers	Finance departments		Internal auditors
		Heads of units	Staff	
Financial management and control	✓	✓		
Internal audit				✓
Programme budgeting	✓	✓	✓	
Budget implementation		✓	✓	
Accounting		✓	✓	
Policy management process	✓			

Having this two-step recruitment process as a consequence had a fact that final number of civil servants who actually get an invitation e-mail is unknown and thus the response rate could not be calculated. More significant note is that the realized sample of civil servants can not be considered as representative for the given populations, so the findings should be primarily understood as indications of certain patterns and with limited generalizability. However, qualitative part of the research strongly validated many of the findings of the quantitative survey, thus providing an argument that survey findings can be regarded as valid. Table 9 presents realized research sample.

Table 9. Realized research sample

Sub-sample	Number of on-line respondents	Number of interviewees
General managers	46	4
Finance departments' staff	27	6
Internal auditors	98	8
TOTAL	172	18

In relation to data gathering via interviews, a sample of 18 civil servants took part in it. They came from 10 different ministries and one Prime Minister office: Ministry of Finance; Ministry of Economic

Development, Entrepreneurship and Tourism; Ministry of Education and Sports; Ministry of Justice; Ministry of Health; Ministry of Social Welfare and Youth; Ministry of Urban Development; Ministry of Transport and Infrastructure; Ministry of Energy; Ministry of Defence; and INSTAT, Prime Minister Office. Recruitment of interviewees was done by following criteria:

- a) For top managers – those who have been considerably involved in policy development in a given sector, in programme budgeting, and in introduction of financial management and control in their organization
- b) For managers in finance departments – those who have comprehensive overview of introduction of financial management and control in their organization, budget programming and its implementation and accounting)
- c) For internal auditors – if a ministry has an organizational unit for internal audit, then the head of that unit should be nominated for interview.

Characteristics of the realized sample

In this section data on main professional characteristics of the participants in the survey (i.e. those who filled in on-line questionnaires) will be depicted. In the Table 10 data about the age of the respondents is presented. On average, the oldest are internal auditors, while the minimum and maximum age is rather similar across all of the subsamples.

Table 10. Age of respondents

Age	General managers	Finance departments	Internal auditors
Mean	40,1	41,8	46,4
Standard deviation	10,2	12,9	11,7
Minimum	26	25	25
Maximum	63	60	64

Next information about the sample relates to the type of the institution of the central public administration where the respondents are employed. The majority of general managers who participated in the research were working in a ministry, while managers and employees in the finance departments and internal auditors most often worked in an integrated authority within a given ministry. Within the latter two subsamples, respondents were least likely to come from Government offices, while in the case of general managers hardly any participant came from a special organization.

Table 11. Type of institution where the respondents are working (%)

Institution	General managers	Finance departments	Internal auditors
Ministry	50,0	29,6	33,7
Integrated authority within the ministry	28,3	59,3	40,8
Special organization	2,2	7,4	20,4
Government service (office)	19,6	3,7	5,1

When it comes to the sector of public administration where the respondents are working, in the subsample of general managers respondents came from 13 different sectors (out of 22 offered). Most often they came from Agriculture and rural development sector (28,3%), Human rights and civil society sector (21,7%), and sector on Financial and fiscal system (10,9%). In a case of managers and employees in finance departments they came 8 different sectors of public administration - mainly from Energy, mineral resources and mining sector (25,9%), sector on political system (22,2%), agriculture and rural development (18,5%), and transport and transport infrastructure (14,8%). Internal auditors who participated in this research came from 14 different sectors, but dominantly from two: energy, mineral resources and mining sector (29,6%) and general public administration services (28,6%).

At the level of the whole sample, majority of respondents held expert/specialist positions (52%), followed by low-level managers (23,4%), middle level managers (17,5%), and top-level managers (7%).

A quarter of the subsample of internal auditors were on a managing position (chief audit executive). Majority of respondents were non-managing, regular certified internal auditors, while one fifth was in a process of becoming a certified auditor.

Table 12. Positions of internal auditors (%)

Position	Internal auditors
The chief audit executive	26,5
Internal auditor (certified)	55,1
Internal auditor (in the process of training/certification)	18,4

In terms of length of work experience in public administration, the most experienced are internal auditors, followed by civil servants from finance departments and than by general managers. Table 13 also shows that internal auditors had a significant work experience in public administration before they became internal auditors.

Table 13. Length of work experience in public administration of respondents

Work experience	General managers	Finance departments	Internal auditors
Mean	11,3	15,3	18,7 (7,7)*
Standard deviation	8,9	12,5	12,1 (5,8)
Median	8	13,0	20,0 (7,0)

*Numbers in brackets represent years of work experience as internal auditors in public administration

RESULTS

Financial management and control

Set of questions in the area of financial management and control were answered by public administration employees in a managing positions – both in finance departments and in other organizational units.

General managers

First set of questions covered two elements of COSO framework: Control environment and Information and communication. In the Table 14, results for general managers are presented – how much do they take part in these practices and to what extent do they need further professional development to perform them more effectively.

Results show that general managers are engaging to a greater extent in segregating duties among the employees, ensuring that employees are made familiar with the code of conduct, supervising the employees and providing them with the support they need to perform key tasks, determining lines of reporting, and reviewing training needs, promotions, and performances of employees. These results are expected as these activities represent what might be called the core of managers job - managing people and their activities. In many respect these can be seen as human resource management as well. However, when we come to practices which are more closely connected to the control environment, general managers tend to be less involved or to express a view that certain practice is not relevant for their job position. For example, 30% or more stated that for their job the following practices are not relevant: documenting all business processes and transactions required for preparing appropriate audit trails, establishing clear policies on authorizations and approvals of certain activities and transactions in writing, ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes, etc. What needs to be stressed here is that the question very broadly defined 'taking part in the practice' - it meant actually performing the practice, but it could also include its organization or managing/supervising role, thus capturing all important job roles that could be connected to a given practice.



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Table 14: Financial management and control, general managers, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Ensuring that employees are made familiar with the code of conduct	65,2	13,0	0,0	21,7	31,3	25,0	25,0	18,8	11,1
Reviewing training needs, promotions, and performances of employees	47,8	39,1	0,0	13,0	37,5	31,3	12,5	18,8	15,8
Analysing the needs of employees for training in financial management and control	34,8	26,1	8,7	30,4	28,6	21,4	28,6	21,4	22,2
Supervising the employees and providing them with the support they need to perform key tasks	54,5	27,3	0,0	18,2	33,3	40,0	6,7	20,0	11,8
Informing employees about long and short-term goals of the organization	39,1	34,8	0,0	26,1	20,0	20,0	26,7	33,3	16,7
Segregating duties among the employees	72,7	9,1	4,5	13,6	31,3	18,8	25,0	25,0	15,8
Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	34,8	34,8	8,7	21,7	23,5	47,1	5,9	23,5	5,6
Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	21,7	34,8	13,0	30,4	23,1	46,2	7,7	23,1	23,5
Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes	30,4	30,4	8,7	30,4	21,4	28,6	28,6	21,4	17,6
Determining clear lines of reporting	52,2	21,7	0,0	26,1	18,8	18,8	37,5	25,0	11,1
Documenting all business processes and transactions required for preparing appropriate audit trails	31,8	27,3	4,5	36,4	21,4	28,6	28,6	21,4	17,6
Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	30,4	30,4	8,7	30,4	38,5	23,1	23,1	15,4	23,5



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Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents

34,8

43,5

0,0

21,7

26,7

33,3

20,0

20,0

16,7

In relation to perceived needs for further professional development, for the majority of practices more than 50% of general managers stated that they have high or moderate level of need for further professional development in order to perform those practices more effectively¹⁰. Practices for which general managers have highest need for professional development are in area of 1) human resource management (Reviewing training needs, promotions, and performances of employees and Supervising the employees and providing them with the support they need to perform key tasks) 2) regulating control environment (Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion and Establishing clear policies on authorizations and approvals of certain activities and transactions in writing), and 3) information and communication system (Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control and Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents). Practices for which respondents stated that they need professional development the least are in relation to determining clear lines of reporting and informing employees about long and short-term goals of the organization.

Second set of questions on financial management and control covered three remaining elements of COSO framework: risk management, control activities, and system monitoring and assessment. Results are presented in the Table 15. Probably the most notable finding is high percentages for the answer *This is not relevant for my job position*. Elements and activities of financial management and control are considered to be present throughout the organization and that each and every member of organization has its role in it, but especially those occupying managing positions. These percentages are especially high in the segment of performing control activities (from preventive to detective, directive and corrective control activities). In

¹⁰ It should be noted that two segments of this and most of the following tables has different presentation logic. In the part that describes taking part in performing the practices (left side of the table) four columns give sum of 100% - all answers have been taken into account when calculating percentages for a given answer. However, for the part describing needs for professional development (right side of the table), column with a heading *This is not relevant for my job position* holds percentages which are calculated in the first step of analysis where all answers have been divided by 5 possible answers. In the second step of analysis this answer has been removed from the analysis – the remaining number of respondents were then divided by four answers. This means that only first four columns in the right side of the table give sum of 100%. In other words, we have removed those respondents who said that a given practice is not relevant for their job, and then calculated percentages for perceived needs for professional development just for those respondents who indirectly said that a given practice is relevant for their job position. This has provided more precise picture of development needs.

In this and following tables it can be observed that percentages in two columns under the heading *This is not relevant for my job position* differ – as a rule column with data about performing practices has a higher value than a column with data when the question was about professional development. This is due to the fact that respondents first had opportunity to provide answer on performance, and then on professional development. We are assuming that those respondents who gave answer that a given practice is not relevant for their job, just skipped the question about development needs in relation to that practice. As a consequence, their answers were missing from the analysis on professional development needs, hence smaller percentages in the second column in the right segment of the table.



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some instances, this is more understandable – when practices are more of a financial nature, e.g. Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations.

Table 15. Financial management and control, general managers, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	25,0	35,0	5,0	35,0	25,0	41,7	8,3	25,0	25,0
Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	23,8	42,9	4,8	28,6	15,4	38,5	30,8	15,4	18,8
Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	31,6	31,6	5,3	31,6	23,1	23,1	30,8	23,1	13,3
Developing risk management strategy	35,0	25,0	10,0	30,0	23,1	30,8	38,5	7,7	13,3
Assessing the risks in terms of their impact and probability	30,0	40,0	5,0	25,0	25,0	25,0	33,3	16,7	14,3
Using technique <i>risk exposure matrix</i>	20,0	30,0	20,0	30,0	27,3	27,3	36,4	9,1	26,7
Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	25,0	30,0	10,0	35,0	27,3	45,5	18,2	9,1	26,7
Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	35,0	35,0	5,0	25,0	18,2	36,4	27,3	18,2	21,4
Contingency planning - planning for solving the consequences if a certain risk materializes	10,0	40,0	10,0	40,0	30,0	10,0	40,0	20,0	28,6
Checking whether the risk level is changing	15,0	40,0	10,0	35,0	27,3	27,3	27,3	18,2	26,7

Assuring that controls that should minimize the risk are in place and functioning efficiently	25,0	35,0	5,0	35,0	36,4	27,3	18,2	18,2	26,7
Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	25,0	30,0	5,0	40,0	18,2	45,5	9,1	27,3	26,7
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	36,8	10,5	10,5	42,1	40,0	30,0	0,0	30,0	28,6
Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	26,3	21,1	10,5	42,1	20,0	50,0	10,0	20,0	28,6
Performing corrective control activities - designed to correct detected errors	30,0	20,0	5,0	45,0	20,0	40,0	20,0	20,0	33,3
Ensuring that the procedures for access to data and records in place and applied	20,0	45,0	0,0	35,0	36,4	27,3	18,2	18,2	26,7
Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	26,3	31,6	0,0	42,1	10,0	50,0	30,0	10,0	33,3
Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	25,0	20,0	5,0	50,0	22,2	33,3	11,1	33,3	40,0
Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	35,0	20,0	5,0	40,0	9,1	63,6	0,0	27,3	26,7
Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	20,0	30,0	5,0	45,0	20,0	30,0	30,0	20,0	33,3

Reporting on risk management and internal control within the organization

20,0

50,0

0,0

30,0

16,7

25,0

25,0

33,3

20,0

In terms of risk management, answers falling into category *This is not relevant for my job position*, are still frequent (mainly ranging from 25-35%), but not as frequent as in area of control activities. Practices for which general managers most often stated that they are taking part in to a greater extent are: Developing risk management strategy, Using risk management form, and Performing detective control activities – all around 35% of respondents.

Results show that for each of the listed practices within the three elements of COSO framework, those managers who find them to be relevant for their work, minimum 40% answered that they have high/moderate level of need for further professional development. For a number of practices this percentage went as high as 60 to 70% or higher. In the area of risk management those are: Identifying financial risks and Developing and supplementing risk register. In the area of control activities those are following practices: performing preventive, detective, directive and corrective controls, and Assuring that controls that should minimize the risk are in place and functioning efficiently. Dealing with data and other organizational assets is also a matter of needed training: Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use, and Ensuring that the procedures for access to data and records in place and applied.

Managers of finance departments

Table 16 presents the distribution of answers of managers of finance departments for the first set of questions in relation to finance management and control (Control environment and Information and communication). For a number of practices these participants claimed that they take part in to a greater extent. This was most notably for the following practices: Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents, Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control, Establishing clear policies on authorizations and approvals of certain activities and transactions in writing. To a lesser degree they are involved in practices like Analysing the needs of employees for training in financial management and control and Informing employees about long and short-term goals of the organization. When managers of finance departments were asked to mark the extent to which they need professional development in these practices, their answers reflected that what they perform the most - in other words, for what they mainly do they feel they need more knowledge and support. The practices for which they expressed the highest level of need for further training are: Establishing clear policies on authorizations and approvals of certain activities and transactions in writing, Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents, and Documenting all business processes and transactions required for preparing appropriate audit trails. On the other hand, there were several practices for which there was a significant percentage of respondents claiming that there is no need at all for further professional development. Namely, those



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are: Segregating duties among the employees, Determining clear lines of reporting, Supervising the employees and providing them with the support they need to perform key tasks, and Ensuring that employees are made familiar with the code of conduct.

Table 16: Financial management and control, managers of finance departments, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Ensuring that employees are made familiar with the code of conduct	70,0	20,0	0,0	10,0	14,3	14,3	28,6	42,9	12,5
Reviewing training needs, promotions, and performances of employees	50,0	37,5	12,5	0,0	12,5	50,0	12,5	25,0	0,0
Analysing the needs of employees for training in financial management and control	22,2	77,8	0,0	0,0	0,0	57,1	14,3	28,6	0,0
Supervising the employees and providing them with the support they need to perform key tasks	50,0	30,0	10,0	10,0	0,0	42,9	14,3	42,9	12,5
Informing employees about long and short-term goals of the organization	30,0	60,0	10,0	0,0	12,5	50,0	25,0	12,5	12,5
Segregating duties among the employees	70,0	10,0	20,0	0,0	28,6	0,0	14,3	57,1	12,5
Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	50,0	25,0	25,0	0,0	16,7	16,7	50,0	16,7	14,3
Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	77,8	11,1	0,0	11,1	33,3	33,3	0,0	33,3	14,3
Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing, and recording business changes	55,6	22,2	11,1	11,1	16,7	33,3	16,7	33,3	14,3
Determining clear lines of reporting	66,7	22,2	11,1	0,0	14,3	42,9	0,0	42,9	0,0
Documenting all business processes and transactions required for preparing appropriate audit trails	70,0	10,0	10,0	10,0	42,9	14,3	14,3	28,6	12,5

Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	77,8	22,2	0,0	0,0	0,0	57,1	14,3	28,6	0,0
Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	80,0	20,0	0,0	0,0	37,5	25,0	12,5	25,0	25,0

In the areas of risk management and control activities there is a striking difference between general managers and managers of finance departments. For almost all practices presented in the Table 17 there were no managers of finance departments who said that these are not relevant for their job position. On contrary, for many of the practices more than 50% of managers stated that they are dealing with the issue to a greater extent. Here, we can underline those practices where this answer was present in over 70% of cases: Identifying financial risks, Assessing the risks in terms of their impact and probability, Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations, Ensuring that the procedures for access to data and records in place and applied, Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use, and Establishing and applying of a reporting system.

On the other hand, finance managers expressed less need for professional development in these practices of financial management and control than general managers. Most often, one third of finance managers stated that they have high/moderate need for professional development in listed practices. Instead, they often selected response *Low level of need*, and to a much lesser amount stated that there is no need at all for training in these domains. Only for few practices they expressed higher need for further training: Using risk management form, Contingency planning, and Identifying financial risks.



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Table 17. Financial management and control, managers of finance departments, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	70,0	30,0	0,0	0,0	25,0	37,5	25,0	12,5	12,5
Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	55,6	44,4	0,0	0,0	16,7	16,7	50,0	16,7	0,0
Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	37,5	50,0	12,5	0,0	0,0	33,3	50,0	16,7	0,0
Developing risk management strategy	37,5	50,0	12,5	0,0	0,0	20,0	60,0	20,0	16,7
Assessing the risks in terms of their impact and probability	71,4	28,6	0,0	0,0	20,0	20,0	40,0	20,0	0,0
Using technique <i>risk exposure matrix</i>	37,5	37,5	25,0	0,0	16,7	16,7	33,3	33,3	0,0
Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	50,0	12,5	12,5	25,0	0,0	20,0	40,0	40,0	16,7
Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	37,5	50,0	12,5	0,0	37,5	50,0	12,5	0,0	16,7
Contingency planning - planning for solving the consequences if a certain risk materializes	37,5	37,5	12,5	12,5	37,5	37,5	12,5	12,5	33,3
Checking whether the risk level is changing	12,5	62,5	12,5	12,5	0,0	25,0	75,0	0,0	33,3
Assuring that controls that should minimize the risk are in place and functioning efficiently	37,5	50,0	12,5	0,0	20,0	20,0	60,0	0,0	16,7

Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	66,7	33,3	0,0	0,0	14,3	14,3	71,4	0,0	71,4
	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	62,5	37,5	0,0	0,0	16,7	16,7	66,7	0,0	0,0
Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	44,4	55,6	0,0	0,0	0,0	33,3	66,7	0,0	0,0
Performing corrective control activities - designed to correct detected errors	62,5	37,5	0,0	0,0	16,7	16,7	66,7	0,0	0,0
Ensuring that the procedures for access to data and records in place and applied	77,8	11,1	11,1	0,0	14,3	14,3	71,4	0,0	0,0
Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	75,0	25,0	0,0	0,0	16,7	16,7	66,7	0,0	0,0
Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	88,9	11,1	0,0	0,0	16,7	16,7	66,7	0,0	0,0
Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	55,6	44,4	0,0	0,0	0,0	33,3	66,7	0,0	0,0
Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	77,8	22,2	0,0	0,0	0,0	33,3	66,7	0,0	0,0
Reporting on risk management and internal control within the organization	50,0	50,0	0,0	0,0	0,0	33,3	66,7	0,0	0,0

Results of interviews

Interviews conducted with civil servants indicated that financial management and control is understood to be of paramount importance. The process has been well defined and managed by central institutions based in the Ministry of finance. In terms of improving control environment in public administration organizations it was emphasized that what needs to be strengthened is providing information and update to all civil servants about planned and ongoing reforms and new regulations. Moreover, more focus is needed while preparing and monitoring of realization of action plans, as well as more attention to important issue of adequate delegation of tasks.

Interviewees highlighted that risk assessment is done by each ministry and that it is a rather new process that needs to be developed further. Some line ministries have risk registers, but some have not developed them yet. It seems that the update of the risk registers varies across ministries. In that sense, main areas where further professional development is needed are competencies for risk assessment and risk management in general. More specifically, trainings are needed for development and update of risk registers and adequate procedures how to proceed when risk is downgraded or upgraded.

In terms of exercising control activities, digitalization of certain processes is seen as a way to make communication more effectively. Interviewees suggest that keeping books of business processes and audit trails are not common practices in the public institutions and Information Technology (IT) systems development is needed in order to improve the preventive control activities. This would certainly pose important requirements for professional development of civil servants.

Information and communication as one of the elements of COSO framework were also addressed in interviews. Main areas for further development are seen in using best practices of certain line ministries for improvement in other ministries and institutions. There is also a need to improve inter-ministerial communication lines and using IT to develop an Information Management System for ministries to communicate mutually.



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Programme budgeting

Programme budgeting was also a topic for which questions were posed both to general managers and finance managers, but also were included other employees of finance departments. As in previous section, results for general managers will be presented first, then followed by results for managers and employees of finance departments.

General managers

First set of questions dealt with establishing programme structure, programmes, programme activities and projects and establishing its objectives. Important finding is that a high percent of managers do not see these activities to be relevant for their job position – it ranges from 32 to 45% (Table 18). Possible explanation could be that these high-stake activities within programme budgeting are usually done by the highest top managers in organization, which did not make a significant part of the realized sample. The practices in which they, reportedly, take part to a greater extent in somewhat higher percentages are: Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects, and Defining programme objectives with reference to SMART criteria.

When thinking about their professional development needs for these programme budgeting practices, for each practice more than 50% of general managers who understand them as a regular part of their work, expressed that they have high or moderate need for additional training (percent ranging from 50 to 77%). For several practices, these percentages were rather high. Firstly, 75% of them stated that they have high/moderate level of need for further training in developing budget programme structure (50% expressed high level of need). Further, two more practices deserved special attention from general managers: Defining programme objectives with reference to SMART criteria, and Establishing objectives of a programme activity or project.

Second set of questions in the area of programme budgeting was devoted to establishing different indicators (quantity and quality of services provided, efficiency indicators), monitoring, analysis and reporting the results against the selected indicators. As was the case for the previous practices of programme budgeting, high percentages of general managers again stated that these practices are not relevant for their job position. This was especially prominent with a couple of practices: Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future, Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values, Defining indicators measuring the quantity or volume of service provided, and Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.



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Table 18: Programme budgeting, general managers, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	20,0	20,0	15,0	45,0	50,0	25,0	12,5	12,5	38,5
Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	26,3	26,3	15,8	31,6	11,1	55,6	22,2	11,1	25,0
Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	16,7	27,8	11,1	44,4	14,3	42,9	28,6	14,3	36,4
Defining the purpose of a programme, programme activity, or project	21,1	36,8	10,5	31,6	22,2	33,3	22,2	22,2	25,0
Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	31,6	21,1	15,8	31,6	12,5	37,5	25,0	25,0	33,3
Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	21,1	31,6	15,8	31,6	33,3	22,2	11,1	33,3	25,0
Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	15,8	26,3	15,8	42,1	12,5	37,5	37,5	12,5	33,3

Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	27,8	22,2	5,6	44,4	25,0	37,5	25,0	12,5	33,3
Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	31,6	26,3	0,0	42,1	44,4	33,3	11,1	11,1	35,7

Table 19: Programme budgeting, general managers, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analysing how the achievement of the objectives can most appropriately and practically be measured	10,5	47,4	0,0	42,1	37,5	37,5	12,5	12,5	38,5
Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	26,3	26,3	0,0	47,4	44,4	11,1	33,3	11,1	35,7
Defining indicators measuring the quantity or volume of service provided	21,1	26,3	0,0	52,6	22,2	44,4	11,1	22,2	35,7
Defining indicators measuring the quality of services provided	27,8	33,3	0,0	38,9	50,0	20,0	20,0	10,0	28,6
Defining efficiency indicators used to measure the achievement of results at an appropriate cost	26,3	36,8	0,0	36,8	27,3	45,5	18,2	9,1	21,4
Using logical framework matrix (Logframe) as a tool for programme/project management	15,8	15,8	21,1	47,4	22,2	33,3	33,3	11,1	30,8
Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	21,1	15,8	10,5	52,6	12,5	50,0	0,0	37,5	38,5
Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	10,5	21,1	5,3	63,2	33,3	50,0	0,0	16,7	53,8
Reporting the achieved values through the use of selected indicators	22,2	16,7	5,6	55,6	14,3	57,1	0,0	28,6	46,2

Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	5,3	21,1	10,5	63,2	33,3	33,3	0,0	33,3	50,0
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Again, for all the listed practices from 55% to 83% of general managers (out of those who understand these practices to be relevant for their job), stated that they have high or moderate level of need for professional development. For some of the practices more than 70% of respondents answered like this, namely for: Analysing how the achievement of the objectives can most appropriately and practically be measured, Defining indicators measuring the quality of services provided, Defining efficiency indicators, Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future, and Reporting the achieved values through the use of selected indicators.

Final set of questions in the field of programme budgeting dealt more with its financial aspects: examining spending, planning costs, establishing direct and indirect costs (Table 20). Expectedly, in the context of previous findings, a lot of general managers found these practices not to be relevant for their job position (e.g. Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources, Prioritising expenditures and outflows for the forthcoming programme activities or project, Allocating incomes and other employee receiving across the programmes, programme activities or projects, and Allocating costs of using goods and services across programmes, programme activities, and projects).

Results about the perceived need for professional development show that for almost all practices there is a significant percent of general managers (from 43 to 83%) who perceive that they have high or moderate need for further training. We will outline five such practices which accounted for 60% or more percent of such answers: Allocating costs of using goods and services across programmes, programme activities, and projects, Defining of unit cost for provided services, Establishing the direct costs, Establishing the indirect costs, and Incorporating EU pre-accession assistance (IPA) funds into programme budget.



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Table 20: Programme budgeting, general managers, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	26,3	5,3	5,3	63,2	14,3	42,9	14,3	28,6	46,2
Prioritising expenditures and outflows for the forthcoming programme activities or project	11,1	16,7	5,6	66,7	14,3	28,6	14,3	42,9	46,2
Planning costs of the current programme activities or project in the coming year	21,1	15,8	15,8	47,4	16,7	33,3	0,0	50,0	50,0
Incorporating EU pre-accession assistance (IPA) funds into programme budget	5,3	31,6	15,8	47,4	12,5	50,0	12,5	25,0	38,5
Defining of unit cost for provided services	10,5	31,6	10,5	47,4	14,3	71,4	0,0	14,3	46,2
Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	11,1	22,2	11,1	55,6	33,3	33,3	0,0	33,3	50,0
Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	11,1	27,8	5,6	55,6	28,6	42,9	0,0	28,6	46,2
Allocating incomes and other employee receiving across the programmes, programme activities or projects	15,8	5,3	21,1	57,9	16,7	33,3	16,7	33,3	53,8
Allocating costs of using goods and services across programmes, programme activities, and projects.	15,8	10,5	15,8	57,9	50,0	33,3	0,0	16,7	53,8



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Employees in finance departments

Results for employees in finance departments in the area of programme budgeting are somewhat different than those observed for general managers. The biggest difference can be seen in the percentages of respondents who stated that the practices are not relevant for their job position. Nevertheless, even here findings indicate that there is a substantial number of such perceptions. This can be explained by the fact that not all employees in finance departments perform same type of job – some are working in budget executions units or accounting units – therefore not all are involved in budget planning. Still, for some practices there was more than 40% of employees stating that they are taking part in them to a greater extent, namely: Developing budget programme structure, Identifying various programme activities, Developing projects, Defining the purpose of a programme, programme activity, or project, Establishing objectives of a programme activity or project, and Defining programme objectives with reference to SMART criteria.

On the other hand, for all the practices listed in the Table 21, at least 40% of respondents (who see them as part of their job) stated that they have high or moderate level of need for professional development. Four practices were considered of the highest priority: Defining the purpose of a programme, programme activity, or project, Identifying various programme activities, Developing budget programme structure, and Establishing objectives of a programme activity or project.

Second set of questions in the area of programme budgeting was devoted to establishing different indicators (quantity and quality of services provided, efficiency indicators), monitoring, analysis and reporting the results against the selected indicators. Here, finance department staff less often claimed that this is not relevant for their job position. Where they are most often involved to a greater extent are: Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future, Reporting the achieved values through the use of selected indicators, and Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values (all above 50%).

In terms of needs for professional development in these practices, these respondents expressed lesser needs – percentages for high or moderate level of need ranged from 38% to 54%. The highest needs expressed were for Using Logframe tool and monitoring of programme/programme activities/projects implementation (54,5%). Interestingly, all 54,5% of respondent stated that they have moderate level of need for improvement in these two practices, and 0% that have high level of need. The highest percent of high level of need for professional development was expressed for the following practice (Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects – 27,3%).



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Table 21: Programme budgeting, finance departments, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	47,8	21,7	8,7	21,7	12,5	43,8	25,0	18,8	20,0
Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	47,4	15,8	10,5	26,3	7,7	53,8	30,8	7,7	23,5
Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	10,5	42,1	15,8	31,6	0,0	50,0	25,0	25,0	29,4
Defining the purpose of a programme, programme activity, or project	44,4	22,2	11,1	22,2	23,1	46,2	7,7	23,1	27,8
Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	36,8	26,3	15,8	21,1	9,1	36,4	36,4	18,2	31,3
Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	42,1	21,1	10,5	26,3	7,7	38,5	30,8	23,1	27,8
Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	36,8	26,3	15,8	21,1	0,0	41,7	41,7	16,7	29,4



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Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	31,6	36,8	15,8	15,8	0,0	57,1	21,4	21,4	17,6
Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	42,1	31,6	10,5	15,8	8,3	41,7	33,3	16,7	20,0

Table 22: Programme budgeting, finance departments, Part 2 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analysing how the achievement of the objectives can most appropriately and practically be measured	30,0	50,0	5,0	15,0	6,7	40,0	33,3	20,0	16,7
Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	42,1	26,3	10,5	21,1	27,3	18,2	45,5	9,1	35,3
Defining indicators measuring the quantity or volume of service provided	35,0	45,0	5,0	15,0	14,3	28,6	35,7	21,4	22,2
Defining indicators measuring the quality of services provided	30,0	40,0	5,0	25,0	18,2	27,3	27,3	27,3	35,3
Defining efficiency indicators used to measure the achievement of results at an appropriate cost	35,0	40,0	15,0	10,0	15,4	30,8	38,5	15,4	27,8
Using logical framework matrix (Logframe) as a tool for programme/project management	26,3	26,3	26,3	21,1	0,0	54,5	18,2	27,3	35,3
Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	41,2	35,3	5,9	17,6	0,0	54,5	36,4	9,1	21,4
Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	50,0	31,3	12,5	6,3	16,7	25,0	33,3	25,0	7,7
Reporting the achieved values through the use of selected indicators	52,9	29,4	5,9	11,8	16,7	33,3	33,3	16,7	14,3

Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	56,3	25,0	12,5	6,3	15,4	23,1	38,5	23,1	7,1
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Final set of questions in the field of programme budgeting dealt more with its financial aspects: examining spending, planning costs, establishing direct and indirect costs (Table 23). Practices for which respondents stated most that they are not relevant for their job position are Incorporating EU pre-accession assistance (IPA) funds into programme budget and Prioritising expenditures and outflows for the forthcoming programme activities or project. On the other hand, where they are most frequently involved to a greater extent are the following practices: Prioritising expenditures and outflows for the forthcoming programme activities or project, Planning costs of the current programme activities or project in the coming year, Defining of unit cost for provided services, Establishing the direct costs, and Allocating costs of using goods and services across programmes, programme activities, and projects.

In terms of professional development needs, for most of the practices more than 40% of respondents felt that they have high or moderate level of need. Practices for which these answers were provided by more than half of respondents (out of those who see these practices as part of their job) are: Establishing the direct costs, Incorporating EU pre-accession assistance (IPA) funds into programme budget, Prioritising expenditures and outflows for the forthcoming programme activities or project, Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources, and Defining of unit cost for provided services.

Programme budgeting in Albania, according to interviewees, is in the process of development. Ministry of Finance works mainly with ceiling rates for budget item and spending, but without reference or little reference to actual results. In this respect, interviews indicate that main area of development is introducing new methodology of designing programme budgets. In terms of professional development main challenge is sustainability of skills gained and transfer of knowledge to colleagues. This is partly due to high workforce mobility in public administration, hence there is little sustainability when it comes to trainings and professional development. Another important issue in the area of establishing objectives in programme budgets is the fact that inter-sectorial policies require inter-sectorial processes and communication and objectives and therefore development of competences in this regard is required. In the area of establishing performance indicators, main challenge is seen in terms of its specification and operationalization. Moreover, process of further digitalization in public administration is seen to be instrumental in this respect. In the area of monitoring and reporting the achieved values through the use of selected indicators, findings from interviews indicate that systematic performance reporting, in accordance with established hierarchy, is needed in order to accomplish the objectives, as an important element of managerial accountability.



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Table 23: Programme budgeting, finance departments, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	38,9	16,7	22,2	22,2	0,0	50,0	20,0	30,0	37,5
Prioritising expenditures and outflows for the forthcoming programme activities or project	31,6	31,6	10,5	26,3	9,1	45,5	36,4	9,1	35,3
Planning costs of the current programme activities or project in the coming year	47,4	26,3	15,8	10,5	16,7	33,3	33,3	16,7	25,0
Incorporating EU pre-accession assistance (IPA) funds into programme budget	5,9	23,5	35,3	35,3	0,0	57,1	28,6	14,3	53,3
Defining of unit cost for provided services	44,4	22,2	22,2	11,1	15,4	38,5	38,5	7,7	18,8
Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	44,4	33,3	5,6	16,7	15,4	46,2	30,8	7,7	18,8
Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	29,4	29,4	29,4	11,8	9,1	36,4	36,4	18,2	26,7
Allocating incomes and other employee receiving across the programmes, programme activities or projects	31,3	31,3	18,8	18,8	0,0	33,3	55,6	11,1	35,7
Allocating costs of using goods and services across programmes, programme activities, and projects.	35,3	17,6	23,5	23,5	0,0	25,0	62,5	12,5	42,9



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Budget implementation and accounting

This part of the questionnaire gave emphasis to processes of budget implementation, accounting and implementing procedures of financial management of European Union and co-financing funds. It was administered only to civil servants in finance departments (managers and other employees). First set of questions dealt mainly with budget implementation (with a pair of items also dealing with budget planning) (Table 24). Respondents, expectedly, frequently stated that they are involved in all of the practices of budget implementation, often to a greater extent. In terms of perceived needs for professional development in listed practices, a range of 38% to 64% of respondents stated that they have high/moderate level of such needs. Among the practices which were most often mentioned as those needed to be developed more are: Planning budget implementation on a daily and monthly basis, Managing budget appropriations and quotas, Assuring the accuracy of budget classification (economic, organizational, functional, etc.), Preparation of reports on budget implementation, and Assuring adequacy of submitted documentation for incurrence of liabilities (decision, resolution, contract, estimate, account, etc.)

Second set of questions was related to accounting practices and production of financial statements (Table 25). Results show that all of the practices are part of regular work of survey participants, and in most of the cases they are taking part in these practices to a greater extent. For all of the practices, from 40% to 62% of staff of finance departments stated that they have high or moderate level of need for professional development in order to perform those practices more effectively. Accordingly, the same percentages (40-60%) were of opinion that they have low level of need or no need at all to further professionally develop in those practices. Highest level of development needs were expressed for two specific practices: Preparing reports on utilization of funds from current and permanent budget reserve and Preparing reports on guarantees issued during the fiscal year. Lowest level of development needs were voiced for the following practices: Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents, Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts, Controlling the accuracy of accounting records and compliance with procedures established by the regulations, and Producing periodical and annual financial statements.



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Table 24: Budget implementation (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years	35,0	40,0	10,0	15,0	23,1	30,8	30,8	15,4	13,3
Preparing drafts of medium-term and financial plan	55,0	20,0	10,0	15,0	21,4	28,6	35,7	14,3	12,5
Preparing budget implementation plans	47,6	28,6	4,8	19,0	23,1	30,8	38,5	7,7	18,8
Planning budget implementation on a daily and monthly basis	52,4	14,3	4,8	28,6	25,0	33,3	41,7	0,0	25,0
Managing budget appropriations and quotas	52,4	14,3	9,5	23,8	21,4	35,7	21,4	21,4	17,6
Assuring the accuracy of budget classification (economic, organizational, functional, etc.)	42,9	38,1	0,0	19,0	21,4	35,7	35,7	7,1	12,5
Preparation of reports on budget implementation	47,6	38,1	0,0	14,3	21,4	42,9	21,4	14,3	12,5
Assuring adequacy of submitted documentation for incurrence of liabilities (decision, resolution, contract, estimate, account, etc.)	66,7	28,6	0,0	4,8	20,0	40,0	26,7	13,3	6,3
Assuring that a liability incurred is in compliance with the regulated appropriations	57,1	28,6	0,0	14,3	23,1	30,8	38,5	7,7	18,8
Monitoring compatibility of accounting documentation with contracted values	71,4	23,8	0,0	4,8	26,7	20,0	40,0	13,3	6,3
Assuring adequacy of financial and material documentation in terms of compliance with fiscal, accounting, financial and other relevant regulations	63,2	31,6	0,0	5,3	14,3	28,6	50,0	7,1	6,7
Performing substantive, formal and computational control of financial documentation	75,0	20,0	0,0	5,0	15,4	30,8	46,2	7,7	7,1
Controlling financial documentation in connection with the execution of internal payment orders and other payments	68,4	26,3	0,0	5,3	15,4	23,1	61,5	0,0	7,1

Monitoring payments and transfer of funds to indirect budget users	40,0	40,0	5,0	15,0	7,7	30,8	61,5	0,0	13,3
Working with Financial Management Information System application run by the Treasury	50,0	15,0	5,0	30,0	16,7	33,3	33,3	16,7	29,4

Table 25: Accounting and producing financial statements (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents	78,9	15,8	0,0	5,3	21,4	21,4	21,4	35,7	6,7
Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts	70,0	15,0	5,0	10,0	13,3	26,7	26,7	33,3	6,3
Controlling the accuracy of accounting records and compliance with procedures established by the regulations	80,0	5,0	5,0	10,0	21,4	21,4	21,4	35,7	6,7
Producing periodical and annual financial statements	70,0	20,0	5,0	5,0	13,3	26,7	26,7	33,3	6,3
Producing cash flow statements	63,2	21,1	5,3	10,5	23,1	23,1	38,5	15,4	18,8
Producing balance sheet	66,7	23,8	0,0	9,5	20,0	26,7	40,0	13,3	6,3
Producing statement of revenues and expenditures	66,7	28,6	0,0	4,8	26,7	20,0	13,3	40,0	6,3
Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution	60,0	25,0	5,0	10,0	28,6	21,4	14,3	35,7	12,5
Preparing reports on utilization of funds from current and permanent budget reserve	54,5	18,2	9,1	18,2	28,6	28,6	7,1	35,7	17,6
Preparing reports on guarantees issued during the fiscal year	45,0	20,0	5,0	30,0	23,1	38,5	7,7	30,8	18,8

Next set of questions was dealing with managing accounting - those accounting practices that are dominantly of analytical character and are aimed for informing organizational management. In most of the cases, finance department staff stated that these practices are part of their work, i.e. they are involved in their implementation (no matter whether they actually perform it, organize it or manage/supervise it). This might be seen as surprising, as some of those practices do represent analytical work which is often underused in public administration (practices like cost-benefit analysis and cost-efficiency analysis, ration analysis, trend analysis).

Needs for professional development in this field were less prominent than for previous sets of practices - for all practices claims of high/moderate level of needs ranged from 33% to 55%. The highest level of development need was found for the following practices: Performing trend analysis, Performing cost-benefit analysis and cost-efficiency analysis, and Analysing of financial statements of indirect budget users.

Final topic in this section placed emphasis on implementing procedures of financial management of European Union and co-financing funds (Table 27). Significant percentages of respondents stated that practices within this framework are not relevant for their job position (percentages ranging from 42% to 50%) or that they are not involved in them (5% to 22%). This signals that finance departments are not participating in any substantial manner in implementing financial management of EU and co/financing funds. However, it seems that those who think that this is relevant for their job are aware of the need to improve their competencies in this area. Two thirds of respondents expressed moderate need for professional development in following practices: Planning European Union and co-financing funds, Managing flow and transfer of European Union and co-financing funds, and Managing funds of national co-financing (under the management of financial assistance of the European Union). Half of respondents voiced that they have high/moderate need for development for: Requesting funds from the European Commission National Authorizing Officer, Transferring funds to contractors / grant beneficiaries, Suspending payments, Reallocating of funds (all under the rules of management of financial assistance of the European Union).



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Table 26: Management accounting (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Analyzing of financial statements of indirect budget users	47,4	21,1	0,0	31,6	18,2	36,4	36,4	9,1	31,3
Assessing financial means required for the realization of each policy measure or regulation	52,6	31,6	5,3	10,5	21,4	21,4	35,7	21,4	12,5
Performing cost-benefit analysis and cost-efficiency analysis.	60,0	20,0	5,0	15,0	26,7	26,7	26,7	20,0	11,8
Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...)	50,0	40,0	0,0	10,0	26,7	20,0	40,0	13,3	11,8
Performing trend analysis (examining and determining the trends of items in financial statements over time)	52,6	31,6	5,3	10,5	21,4	28,6	35,7	14,3	6,7
Analyzing non-financial information (with financial information)	41,2	52,9	0,0	5,9	13,3	20,0	46,7	20,0	6,3
Analyzing the ability of organization to timely meet its financial obligations	35,0	55,0	5,0	5,0	13,3	26,7	33,3	26,7	6,3
Predicting financial problems of organization before they become serious	57,9	26,3	5,3	10,5	14,3	21,4	35,7	28,6	12,5
Predicting the financial situation of organization for the years ahead	57,9	21,1	10,5	10,5	14,3	28,6	42,9	14,3	12,5



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Table 27: Implementing procedures of financial management of European Union and co-financing funds (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Implementing procedures of financial management of European Union and co-financing funds	21,1	31,6	5,3	42,1	57,1	42,9	0,0	0,0	53,3
Planning European Union and co-financing funds	16,7	22,2	16,7	44,4	0,0	66,7	16,7	16,7	60,0
Managing flow and transfer of European Union and co-financing funds	11,1	27,8	16,7	44,4	0,0	66,7	16,7	16,7	60,0
Managing funds of national co-financing (under the management of financial assistance of the European Union)	11,1	27,8	16,7	44,4	0,0	66,7	16,7	16,7	60,0
Requesting funds from the European Commission National Authorizing Officer	11,1	16,7	22,2	50,0	16,7	33,3	50,0	0,0	60,0
Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union)	11,1	22,2	16,7	50,0	16,7	33,3	50,0	0,0	60,0
Suspending payments (under the management of financial assistance of the European Union)	11,1	22,2	16,7	50,0	16,7	33,3	50,0	0,0	60,0
Reallocating of funds (under the management of financial assistance of the European Union)	11,1	22,2	16,7	50,0	16,7	33,3	50,0	0,0	60,0

Managing public policy

Questions about managing public policy were administered only to general managers. First block of questions dealt with different ways how a problem or an issue which should be resolved with new policy could be analysed and properly defined and framed. To a large extent participants have agreed that they are performing these practices (Table 28). Most often they said that they are to a greater extent involved in: Performing systematic analysis of problems in respective area, including examination of cause and effect relationships, Assessing the legal framework in the respective area, and Analysing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports. One finding stands out herein – 30% of respondents think that, when defining key policy issues, it is not relevant for their job to employ various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like. When percentages for answers No (I am not taking part in the practice) and This is not relevant for my job position are combined we get around 30-35% for the following practices: Analysing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area, Performing comparative analyses of problems/solutions for similar issues in other countries, Identifying key stakeholders and performing stakeholder analysis (analysing their needs, interests, and capacities), and Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority. Interestingly, when thinking about their needs for professional development exactly these practices that were just listed were the ones that got the highest priority (64-77% of respondents expressed high or moderate need). Moreover, for each of the practices listed in this part of the questionnaire at least 50% of respondents stated that they have high or moderate level of need for further training.

Results of qualitative part of the research indicates that in previous years a lot has changed in terms of policy framework and legislation and that there is a general sense of improvement in this area, but further professional development is needed for increased productivity of civil servants.

Second block of questions placed emphasis on establishing policy objectives and performance indicators, monitoring and evaluation framework and conducting elements of ex-ante policy impact analysis. Here, we have significantly more present answers *This is not relevant for my job* (ranging from 22% to 48%). Practices where this answer was most frequent are: Assessing new policy idea in relation to development policy and priorities and on-going development activities in the country, Assessing financial means required for the realization of each policy measure or regulation, Examining the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses, Examining significant direct and indirect effects of considered policy options on various population categories, Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.), and Examining the effects of considered options on the environment. On the other hand, general managers stated that they are very much involved in the following practices: Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation, Establishing framework for monitoring and evaluating



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policy implementation and its results, Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation.

Table 28: Managing public policy, Part 1 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing systematic analysis of problems in respective area, including examination of cause and effect relationships	68,0	24,0	4,0	4,0	33,3	28,6	28,6	9,5	0
Examining the effectiveness of existing policies or policy - implementing measures in the respective area	33,3	50,0	8,3	8,3	15,0	40,0	30,0	15,0	9,1
Assessing the legal framework in the respective area	79,2	16,7	4,2	0,0	30,0	30,0	20,0	20,0	0
Analysing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area	37,5	33,3	12,5	16,7	31,3	31,3	25,0	12,5	15,8
Analysing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports	70,8	25,0	4,2	0,0	30,0	20,0	30,0	20,0	0
Using statistical data and analysis for assessing key issues and associated risks	43,5	47,8	4,3	4,3	15,8	36,8	31,6	15,8	0
Performing comparative analyses of problems/solutions for similar issues in other countries	26,1	39,1	21,7	13,0	11,8	52,9	17,6	17,6	10,5
When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like	34,8	17,4	17,4	30,4	30,8	46,2	7,7	15,4	27,8
Identifying key stakeholders and performing stakeholder analysis (analysing their needs, interests, and capacities)	43,5	26,1	17,4	13,0	12,5	62,5	6,3	18,8	11,1
Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority	26,1	39,1	13,0	21,7	26,7	40,0	6,7	26,7	16,7



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Table 29: Managing public policy, Part 2 (%)

	Do you take part in each of the practices listed?				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation	47,8	17,4	8,7	26,1	7,1	42,9	14,3	35,7	17,6
Establishing performance indicators for measuring the efficiency and effectiveness of policy implementation and for monitoring the realization of set objectives	34,8	30,4	8,7	26,1	23,1	30,8	23,1	23,1	23,5
Establishing performance indicators at the level of impact, outcome, and output indicators	34,8	34,8	8,7	21,7	28,6	21,4	28,6	21,4	17,6
Within performance indicators defining the base value (the existing value), target value, and the source of verification for achieved values	34,8	26,1	13,0	26,1	15,4	30,8	30,8	23,1	27,8
Establishing framework for monitoring and evaluating policy implementation and its results	47,8	26,1	4,3	21,7	21,4	35,7	14,3	28,6	17,6
Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation	52,2	21,7	0,0	26,1	23,1	30,8	15,4	30,8	23,5
Analysing the impact of other policies and regulations relevant for the respective area	30,4	26,1	17,4	26,1	15,4	30,8	23,1	30,8	23,5
Assessing new policy idea in relation to development policy and priorities and on-going development activities in the country	39,1	21,7	8,7	30,4	20,0	26,7	26,7	26,7	16,7
Assessing financial means required for the realization of each policy measure or regulation	39,1	17,4	4,3	39,1	14,3	35,7	28,6	21,4	22,2
Examining the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses	22,7	13,6	22,7	40,9	15,4	30,8	23,1	30,8	27,8

Examining significant direct and indirect effects of considered policy options on various population categories	30,4	13,0	13,0	43,5	28,6	21,4	28,6	21,4	26,3
Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.)	13,0	17,4	21,7	47,8	16,7	25,0	33,3	25,0	29,4
Examining the effects of considered options on the environment	18,2	13,6	31,8	36,4	0,0	23,1	53,8	23,1	27,8

In terms of perceived needs for professional development, exactly for these practices in which general managers are involved to a greater extent they also most frequently stated that they have high or moderate need for further improvement: Establishing framework for monitoring and evaluating policy implementation and its results, Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation. In general, for all practices in these segments of managing public policy, roughly between 40 to 55% of respondents (out of those who see them as relevant part for their job) stated high or moderate needs for professional development (except for the practice Examining the effects of considered options on the environment). Looking at this finding from a different angle, this also means that 45 to 60% of respondents feel that they have low or no need at all to further develop in these areas.

Interviews show that although rules for developing new policies are clearly set and that Council of Ministers monitors and sets new policies, as a challenge remains assuring adequate inputs from each civil servant that works directly on the issue addresses by the policy. It was emphasized that there is a need for more training in how to successfully develop policy objectives, which at the same time are founded on previous experience and knowledge that had been accumulated in public administration. Moreover, it was emphasized a need for better communication and cooperation between different units within a given ministry and between different ministries. This is also important finding both from the perspective of organizational development and personal professional development. Interviews also indicated that procedures for policy impact analysis are recently established and that main areas where further development is needed is quality assurance of these procedures and assuring independence and objectivity of the analysis. In that sense, involvement of independent research centres is seen as instrumental.

The final set of questions in the field of public policy management dealt mainly with assessing different policy options and analysing policy implementation aspects. Practices for which general managers most frequently claimed that they are involved to a greater extent are: Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects, Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations, and Monitoring the realization of set objectives for each of the defined performance indicator. For two practices significant percentages of respondents stated that they are not relevant for their job position: Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome (48%) and Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis (39%).

For all practices in this set of practices at least 50% of respondents (out of those who see them as relevant for their job) claimed that they have high or moderate need for professional development. Most pronounced such results are found for these practices: Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects Considering the "optimistic" and



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“pessimistic” scenario of a given policy option’s outcome Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis and Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations (ranging from 66 to 77%).

Table 30: Managing public policy, Part 3 (%)

	Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
	Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assessing the policy implementation risks and uncertainties	30,4	30,4	8,7	30,4	33,3	20,0	26,7	20,0	16,7
Performing basic institutional capacity assessment in relation to policy implementation (capacity to deliver services and manage change)	26,1	34,8	13,0	26,1	18,8	31,3	18,8	31,3	11,1
Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects	43,5	34,8	4,3	17,4	20,0	53,3	6,7	20,0	6,3
Identifying different policy options to achieve set objectives	34,8	39,1	4,3	21,7	21,4	28,6	21,4	28,6	12,5
Comparing the advantages and disadvantages of each analysed option in order to determine the most efficient one for achieving set objectives, or the one with least disadvantages.	30,4	30,4	8,7	30,4	30,8	23,1	23,1	23,1	23,5
Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome	13,0	30,4	8,7	47,8	15,4	61,5	7,7	15,4	31,6
Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis.	21,7	26,1	13,0	39,1	33,3	33,3	16,7	16,7	36,8
Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations.	43,5	34,8	0,0	21,7	31,3	43,8	6,3	18,8	15,8
Monitoring the realization of set objectives for each of the defined performance indicator	56,5	30,4	0,0	13,0	33,3	22,2	22,2	22,2	5,3
Preparing of Terms of Reference for different purposes within the policy process	30,4	26,1	17,4	26,1	26,7	26,7	26,7	20,0	21,1



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The analysis of interviews showed that among most important challenges in managing public policy are those connected to policy implementation and its monitoring. It was stressed that there is a need for more harmonization between policy principles, strategies, laws and practices of policy implementation. Furthermore, although there are developments in the field of policy monitoring and policy impact evaluation, there is a need for development of skills of civil servants to monitor the results of a given policy (in cooperation with research institutions since it can not be done by ministerial staff only). In relation to participation of stakeholders and target groups about a new policy, there was an opinion that this matter is more than sufficiently addressed in many trainings for public administration. Civil servants need to be trained on how to communicate with stakeholders and how to incorporate this knowledge in an effective way into new policies. In this respect, maybe the biggest challenge is ensuring independence from vested political interests.



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Internal audit

Questioner covering internal audit was administered only to internal auditors in public administration organizations. In contrast to other questioners, this one asked only for perception of professional development needs for varying internal audit practices. It was assumed that all the practices are relevant for all internal auditors as they represent standard job description of for internal auditors. Nevertheless, respondents had opportunity to signal if a certain practice is, in their opinion, relevant for their job.

The first part of the questionnaire includes questions on professional development needed for planning for internal audit, namely for preparing strategic plans for internal audit, annual work plans, and risk based plans. This part also assesses professional development needs in terms of establishing policies and procedures for internal audit and preparatory activities such as communicating internal audit plan with senior management. It also addresses basic assessments of organizational objectives – their ethical aspects, alignment with organisation’s mission, and the role of information technology in meeting the objectives.

Results show that high and moderate level of need for further professional development for all practices in this section comprise more than 50% of respondents’ answers. This is clear indicator that additional training and education for internal auditors is necessary in all areas covered in the Table 31.

When it comes to the planning for internal audit, more than 70% of internal auditors claimed they need additional training in relation to creation of a risk based plan for determining the priorities for internal audit activity. The second area is long term strategic planning (3-year plan) based on the goals of the organization and potential risks (more than 64% of respondents would need further professional development in this area).

According the internal auditors’ answers, the highest need for their further professional development exists for assessing whether information technology (IT) governance is in line and able to support the main objectives and strategies of organization – 47% of all respondents expressed high level of need for professional development in this segment. If combined with the moderate level of need answer for this particular activity, then more than 87% of respondents claim that they need further training. Significant professional development, as stated by internal auditors, is needed also in relation to assessing whether organisational objectives support and align with the organisation’s mission.

For two practices, namely creating long term plan for internal audit and establishing policies for guiding internal audit, a number of internal auditors claimed that these are not relevant for their job positions – this can be explained in such a way that internal auditors who chose this answer perceive this to be exclusive task of a chief internal auditor.



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Table 31: Planning Internal Audit and assessment of organizational objectives (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing a strategic plan of internal audit for a three-year period (including the strategic goals of internal audit based on long-term goals of the organization and internal audit risk assessment).	19,1	45,6	17,6	17,6	17,1
Preparing annual work plan of internal audit (containing general and specific objectives and purpose of the audit, which should be implemented during the year).	23,6	31,9	26,4	18,1	11,1
Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals	35,5	39,5	17,1	7,9	7,3
Communicating the internal audit activity's plans and resource requirements to senior management for review and approval	18,1	36,1	26,4	19,4	10,0
Establishing policies and procedures to guide the internal audit activity	26,1	33,3	23,2	17,4	15,9
Evaluating the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities	20,0	38,7	28,0	13,3	7,4
Assess whether the information technology governance of the organisation supports the organisation's strategies and objectives	47,3	40,5	8,1	4,1	8,6
Assessing whether organisational objectives support and align with the organisation's mission	23,4	42,9	24,7	9,1	3,8

Second set of questions is mainly devoted to self-assessment of professional development needs in relation to evaluating risk exposures in different domains. It also contains questions about assessing organisational practices when dealing with risks – whether organisation has identified significant risks, whether appropriate risks responses were selected and whether relevant risk information is communicated throughout the organisation.

High and moderate level of need for further professional development for all questions in this section comprise between 60% and 79% of respondents' answers. This indicates that education for internal auditors and their additional training needs to stress all practices shown in the Table 32.

Table 32: Assessment of organisation's stance towards risks and evaluation of risk exposures (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Assessing whether significant risks are identified and assessed	32,9	40,5	21,5	5,1	2,5
Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite	34,2	45,6	16,5	3,8	2,5
Assessing whether relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff and management to carry out their responsibilities	21,8	47,4	23,1	7,7	2,5
Evaluating risk exposures relating to achievement of the organisation's strategic objectives	26,0	48,1	19,5	6,5	2,5
Evaluating risk exposures relating to reliability and integrity of financial and operational information	27,2	50,6	14,8	7,4	2,4
Evaluating risk exposures relating to effectiveness and efficiency of operations and programmes	24,7	48,1	20,8	6,5	4,9
Evaluating risk exposures relating to safeguarding of assets	25,3	40,5	22,8	11,4	2,5
Evaluating risk exposures relating to compliance with laws, regulations, policies, procedures and contracts	25,3	36,7	29,1	8,9	1,3
Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.	40,0	36,3	16,3	7,5	1,2

The highest level of need for further professional development exists for evaluating the potential for the occurrence of fraud and how the organisation manages fraud risks. Also, results suggest that additional professional development is necessary for assessing whether significant risks are identified and assessed in organisation and whether appropriate risk responses are selected. This is also true for evaluating risk exposures in related to reliability and integrity of financial and operational information and evaluating risk exposures related to effectiveness and efficiency of operations and programs.

Only for evaluating risk exposures related to compliance with laws, regulations, policies, procedures and contracts, a significant number of respondents stated that only a low level of need or no need at all exists for additional training (38%).

Third set of questions relates to professional development needs in evaluating adequacy and effectiveness of control in responding to risks regarding different issues (such as reliability and integrity of financial and operational information, efficiency and effectiveness of operations and programs, safeguarding the assets and compliance with laws, policies, etc.)

Table 33: Evaluating the adequacy of effectiveness and control in responding to risks (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation's strategic objectives	29,5	41,0	20,5	9,0	1,3
Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information	26,6	45,6	24,1	3,8	2,5
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the effectiveness and efficiency of operations and programmes	25,3	45,6	27,8	1,3	2,5
Evaluating the adequacy and effectiveness of controls in responding to risks regarding safeguarding of assets	25,3	38,0	32,9	3,8	2,5
Evaluating the adequacy and effectiveness of controls in responding to risks regarding the compliance with laws, regulations, policies, procedures and contracts	23,1	42,3	29,5	5,1	3,7

Like for the previous group of practices, high level and moderate level of need comprise between 60% and 70% percent of all respondents' answers for each question, meaning that majority of internal auditors believe they need additional training for evaluating adequacy and effectiveness of controls in responding to various risks (Table 33).

Questionnaire asked internal auditors also about planning and executing individual internal audit engagement – all the way from defining objectives, scope, timing and resource allocations to identifying and documenting relevant information to support the conclusions.

According to respondents' answers, there is a significant need for further professional development for three activities of internal audit: preliminary assessment of the risks relevant to the activity under review, determining the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished and, lastly working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls. More than 60% of all internal auditors stated that they have either high or moderate level of need for additional training.

Table 34: Planning and executing individual internal audit engagement (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Developing and documenting a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations	18,8	33,8	36,3	11,3	1,2
Establishing objectives for each internal audit engagement	26,6	27,8	35,4	10,1	1,3
Conducting a preliminary assessment of the risks relevant to the activity under review	26,6	45,6	25,3	2,5	1,3
Determining the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished	18,2	48,1	29,9	3,9	3,8
Working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls	24,7	45,5	22,1	7,8	2,5
Determining appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints and available resources	18,8	32,5	33,8	15,0	15,0
Developing and documenting work programmes for achieving the engagement objectives	18,8	33,8	32,5	15,0	15,0
Identifying sufficient, reliable, relevant and useful information to achieve the engagement's objectives	24,7	31,2	35,1	9,1	2,5
Documenting and filing relevant information to support the conclusions and engagement results (working papers)	21,5	31,6	31,6	15,2	15,2

For all the other activities in the Table 34, more than half of the internal auditors stated that they need further professional development. However, this can be also read in a way that for a few practices

presented in a Table 34 slightly less than half of participating internal auditors stated that they have only low level of need for further professional development or do not have such need at all.

Finally, for three practices, namely: determining appropriate and sufficient resources, developing and documenting work programmes and documenting and filing relevant information to support the conclusions and engagement results, 15% of respondents claimed that these practices are not part of **their job positions** (which is significantly higher compared to other activities in the Table 34).

Next set of questions relates to professional development needs of internal auditors in terms of preparing audit reports with conclusions, recommendations, and action plans, recommending control activities to management and monitoring follow up activities.

Table 35: Audit reports, recommendations to management and monitoring follow up activities (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Preparing audit reports with conclusions, recommendations and action plans	25,3	36,7	25,3	12,7	12,7
Recommending new control activities to management	22,5	46,3	23,8	7,5	1,2
Recommending correcting or changing existing controls for the purpose of improving their effectiveness	24,1	41,8	24,1	10,1	1,3
Recommending ensuring that existing controls are implemented constantly and consistently	23,7	36,8	27,6	11,8	1,3
Recommending decreasing (discontinuing) redundant controls	17,7	39,2	30,4	12,7	1,3
Monitoring the follow-up activities of management regarding the given recommendations	22,8	45,6	24,1	7,6	1,3

For all activities, the majority of internal auditors (above 60% of respondents) believe that they have high or moderate need for additional training (Table 35). Only for recommending decreasing (discontinuing) redundant controls this number is slightly lower, which might be explained by the assumption that they rarely encounter the situation where this kind of recommendation is suitable.

Finally, for preparing audit reports with conclusions, recommendations, and action plans around 13% percent of respondents claimed this is not part of their job position, which is a somewhat puzzling result.

Next segment of the questionnaire dealt with perception of professional development needs for performing different types of internal audit: compliance audit, performance audit, IT system audit, financial audit and audit of the programs funded by the European Union. Results are presented in the Table 36.

Table 36: Different types of internal audits (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Performing compliance audit (analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions)	32,9	29,1	26,6	11,4	2,5
Performing performance audit (analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization)	39,5	40,7	16,0	3,7	0
Performing information system audit (analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems)	58,8	31,3	8,8	1,3	1,2
Performing audit of programs and projects funded by the European Union	54,9	35,2	7,0	2,8	11,3
Performing financial audit (analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements)	29,9	36,4	26,0	7,8	2,5

Even though majority of respondents agree that for all types internal audit high or moderate need for further professional development exists, for two internal audits the need is much higher. For information system audit and for audit of programs and projects funded by the European Union 90% of respondents have high or moderate need for improving their knowledge. Only for financial audit and compliance audit there is a significant number of respondents (about one third) who claimed that they have only low level of need for improvement or no such need at all (Table 36).

Interestingly, around 11% of internal auditors claim that audit of programs and projects funded by the European Union is not part of their job description.

Since a substantive part of internal auditors' job has traditionally been focused on financial audit, it received additional attention in the questionnaire, as reflected in the number of posed questions about professional development needs in specific financial audit practices. Results are presented in the Table 37.

Table 37: Financial audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Reviewing whether all income and expenditure is adequately planned, controlled and monitored	26,9	28,2	28,2	16,7	1,3
Reviewing whether appropriate budgets are established that are consistent with the organisation's strategic plan and financial forecasts	26,0	33,8	31,2	9,1	3,8
Reviewing whether a suitable budgetary control framework has been developed	26,0	36,4	32,5	5,2	2,5
Reviewing whether managers are provided with suitable expenditure reports	22,7	37,3	34,7	5,3	3,8
Reviewing whether appropriate reporting system is in place to enable senior managers to effectively monitor the organisation's financial position	25,7	33,8	33,8	6,8	3,9
Reviewing whether all cash income is collected, recorded adequately and promptly banked and that suitable banking (Treasury) services are obtained	26,7	21,3	34,7	17,3	3,8
Reviewing whether all transactions, assets and liabilities relevant to the period of review have been recorded	24,7	29,9	35,1	10,4	2,5
Reviewing whether the recorded transactions, assets and liabilities have been correctly and accurately valued or measured.	27,6	30,3	28,9	13,2	3,8
Reviewing whether the recorded transactions, assets and liabilities have been properly classified and recorded in the organisation's financial records	26,7	26,7	33,3	13,3	2,6
Reviewing whether all assets are kept securely, custody is clearly stated, and access is properly authorised	33,8	26,0	26,0	14,3	2,5
Reviewing whether recorded assets and liabilities are in compliance with the regulation	25,3	28,0	29,3	17,3	2,6

Reviewing whether all liquid financial assets are utilised efficiently	32,0	28,0	33,3	6,7	2,6
Reviewing of income and debtor arrangements	26,0	32,5	26,0	15,6	2,5
Reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments	26,9	24,4	37,2	11,5	3,7
Reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently.	27,3	22,1	35,1	15,6	2,5
Reviewing of payroll and expense arrangements	28,9	19,7	35,5	15,8	3,8
Reviewing whether non-monetary assets are properly safeguarded, verified and utilised effectively	26,3	30,3	32,9	10,5	2,6
Reviewing of the public procurement procedures	35,4	38,0	20,3	6,3	2,5
Reviewing whether purchases are done economically, efficiently and effectively	30,8	32,1	29,5	7,7	3,7

Gathered data show that more than half of the respondents believe that high or moderate level of additional professional development is needed for various financial audit activities. Activities for which additional professional development is needed the most are reviewing of the public procurement procedures and reviewing whether purchases are done economically, efficiently and effectively. Also, internal auditors believe that they need more skills when it comes to reviewing whether managers are provided with suitable expenditure reports (Table 37).

On the other hand, for some practices respondents were equally divided on those who feel they need more professional development and on those who do not think so. This applies for reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments, reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently and, finally for reviewing of payroll and expense arrangements.

Internal auditors had opportunity to answer about their professional development needs in relation to human resource management audit. Questions dealt with varying elements of human resource management from recruitment practices, training provisions, monitoring and rewarding performance, etc.

For all practices in the field of human resource management audit between 50% and 70% of all respondents think they need high or moderate level of further professional development. The highest need exists for reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out as well as reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation (Table 38).

The only activity for which the need for further training is somewhat lower is reviewing whether training needs are assessed and appropriate training is provided and evaluated.

Table 38: Human Resource Management Audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Reviewing whether human resource management is conducted economically, efficiently and effectively	24,1	41,8	24,1	10,1	1,3
Reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out.	23,7	50,0	18,4	7,9	1,3
Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner.	23,1	41,0	24,4	11,5	1,3
Reviewing whether training needs are assessed and appropriate training is provided and evaluated.	21,1	30,3	31,6	17,1	1,3
Reviewing whether there are adequate procedures for managing, developing and communicating with the people in the organisation.	23,6	37,5	27,8	11,1	6,5
Reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation.	20,5	51,3	23,1	5,1	3,7

The last part of the questionnaire was devoted to professional development needs in usage of different techniques, methods and tools for conducting internal audit. For all questions in Table 39 about 60-70% of respondents claimed they need high or moderate additional professional development.

Among these methods, internal auditors feel they need more training than for others in three cases. The highest need exists for utilizing observation and enquiry techniques (more than 76% of respondents selected high or moderate need). It is followed by need of a knowledge about using sampling methods

(such as random, stratified and statistical sampling) and finally knowledge about performing substantive tests).

Qualitative part of this survey comprised interviews with internal auditors to go more in depth in certain internal audit issues in Albania. The first part of the interview conducted with the heads of internal audit units focused on the functioning of the internal audit in the public sector (purpose, authority, responsibility, independence and objectivity of internal audit). From interviews it resulted that purpose of internal audit is generally understood according to internal audit law and standards, but there are still managers of public organizations who do not understand the role and importance of this service, and there are managers who still misuse this service. Therefore, an important challenge in the future is the increase of audit capacities, in order for this service to become real value to the organization. Still there are problems in setting clear objectives by the organization.

In carrying out the activities, the internal audit unit generally have organizational independence (depend on and report to the highest level of management), while the functioning independence should be greater in carrying out activities based on internal audit standards and professional practice. In order to increase functional independence, the role of IA service by the managers should be understood and assessed as an important tool in meeting the objectives and increasing IA's administrative capacity.

Further finding from the analysis of interviews is that financial audit is the most developed type of audit in Albanian public administration. However, it has to be understood that financial audit focuses on finances and also on systems. It is necessary, as interviewees suggest, to provide detailed and specific recommendations and to distinguish between recommendations about financial transactions and recommendations about the overall performance of financial systems.

Table 39: Methods and techniques for conducting internal audit (%)

To what extent do you need further professional development in order to perform each of the practices more effectively?					
	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
Using different methods of sampling including random, stratified, statistical sampling	19,2	48,7	25,6	6,4	2,5
Performing compliance tests	19,2	46,2	29,5	5,1	2,5
Performing substantive tests	18,2	49,4	27,3	5,2	2,5
Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data)	25,3	41,8	30,4	2,5	1,3
Performing inspection through different techniques (re-computation, vouching, tracing)	26,6	36,7	29,1	7,6	1,3

book keeping records, physical examination and counts, confirmation)					
Utilizing observation and enquiry techniques	25,6	51,3	17,9	5,1	2,5
Conducting interviews as a part of enquiry process	26,7	40,0	25,3	8,0	6,3

Furthermore, what is needed is to focus audit on the causes of problems identified and to provide recommendations for those identified causes as well. In that respect, it was advised to place emphasis on skills development towards identification of root causes of malpractices or financial issues, Experiences from financial audit could be used as a best practice for other areas to be auditing given that financial auditing is, as already noted, well developed.

As far as compliance audit is concerned, it seems that established methodology is functional. Main areas for development would concentrate on raising awareness of directors/line managers/senior management about the value of auditing and the paramount importance of keeping this function independent.

Performance audit is seen as a major challenge which deserves further development (especially when financial audit practices are well functioning). More inclusive stance is expected from Internal Auditing Directory of the Ministry of Finance towards auditing other processes, rather just financial issues and transactions. In this light can be seen a plan that by 2020, 70% of auditing must be performance auditing. Therefore, a clear message is that much more needs to be done to train internal auditors in this regard.

Information system audit and auditing programs and projects funded by EU are still in the piloting phases in Albania, i.e. new methodologies are being implemented. It should be noted that Central financial management unit of the Ministry of finance is in charge of auditing IPA projects. In relation to information system auditing, digitalization process in public administration requires intensive capacity development for auditing all types of information systems. In that respect, internal auditors should be trained in IT systems, but there is an idea that some IT experts in public administration should be also trained in auditing, so to combine expertise for better auditing.

Another topic for interviews with internal auditors was usage of different audit tests and techniques. General conclusion is that there is an established methodology and procedures set. Nevertheless, there is a need for adoption of new auditing techniques and developing the existing ones (like interviewing), as reported by some of the interviewed internal auditors.

Finally, internal auditors were asked to give their opinions about reporting and communicating the results and recommendation of internal audit to senior management and subsequent follow up (monitoring of progress). It seems that a lot of progress has been made when it comes to communication of results and recommendation. However, there are a few areas where further development is needed. Firstly, training on how to analyse causes of problems and how to draw conclusions and recommendations for these problems that are specific and to the point (provide specific, not general recommendations). Moreover, there is a need to improve the language of reporting – it needs to be simple, clear and precise. But, in the end as one interviewee nicely said ‘auditing is not a task force, it is a service. It is up to the senior management to take actions’.

CONCLUSIONS

Financial management and control

Research results show that **general managers** are engaging to a greater extent in those financial management and control activities that might be seen as elements of human resource management. However, when practices which are more closely connected to the control environment, risk management, control activities, and system monitoring and assessment are concerned, general managers tend to be less involved. Moreover, they tend to express a view that these practices are not relevant for their job position. This is especially high in the segment of performing control activities, but present in the area of risk management as well. In some instances, this is more logical – when practices are more of a financial nature. However, elements and activities of financial management and control are to be present throughout the organization and each member of organization has its role in it, but especially those occupying managing positions.

In relation to perceived needs for further professional development, for the majority of practices more than 50% of general managers stated that they have high or moderate level of need for further professional development in order to perform those practices more effectively. For a number of practices this percentage went as high as 60 to 70% or higher. Practices for which general managers have highest need for professional development are in the areas of: 1) human resource management (Reviewing training needs, promotions, and performances of employees and Supervising the employees and providing them with the support they need to perform key tasks), 2) regulating control environment (Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion and Establishing clear policies on authorizations and approvals of certain activities and transactions in writing), 3) risk management (Identifying financial risks and Developing and supplementing risk register), 4) control activities (performing preventive, detective, directive and corrective controls, and Assuring that controls that should minimize the risk are in place and functioning efficiently), 5) dealing with data and other organizational assets (Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use, and Ensuring that the procedures for access to data and records in place and applied), and 6) information and communication system (Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control and Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents).

Managers of finance departments claimed that they take part to a greater extent in a number of practices of financial management and control. In the areas of risk management and control activities there is a striking difference between general managers and managers of finance departments. For almost all practices in these areas of financial management and control there were no managers of finance departments who said that these are not relevant for their job position. On contrary, for many of the



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practices more than 50% of managers stated that they are dealing with the issue to a greater extent. In over 70% of cases this was stated for the following practices: Identifying financial risks, Assessing the risks in terms of their impact and probability, Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations, Ensuring that the procedures for access to data and records in place and applied, Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use, and Establishing and applying of a reporting system.

In part of control environment in terms of perceived needs for professional development, most prominent needs were for activities that finance managers actually perform the most. The practices for which they expressed the highest level of need for further training are: Establishing clear policies on authorizations and approvals of certain activities and transactions in writing, Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents, and Documenting all business processes and transactions required for preparing appropriate audit trails. There were several practices for which there was a significant percentage of respondents claiming that there is no need at all for further professional development. Namely, those are: Segregating duties among the employees, Determining clear lines of reporting, Supervising the employees and providing them with the support they need to perform key tasks, and Ensuring that employees are made familiar with the code of conduct.

On the other hand, finance managers expressed less need for professional development in risk management and control activities than general managers. For most practices, one third of finance managers stated that they have high/moderate need for professional development in listed practices. However, they often selected response *Low level of need*, and, to a lesser amount, stated that there is no need at all for training in these domains. Only for few practices they expressed high need for further training: Using risk management form, Contingency planning, and Identifying financial risks.

Interviews conducted with civil servants indicated that financial management and control is understood to be of paramount importance. The process has been well defined and managed by central institutions based in the Ministry of Finance. In terms of improving control environment in public administration organizations it was emphasized that what needs to be strengthen is providing information and update to all civil servants about planned and ongoing reforms and new regulations. Moreover, more focus is needed while preparing and monitoring of realization of action plans, as well as more attention to important issue of adequate delegation of tasks.

Interviewees highlighted that risk assessment is done by each ministry and that it is a rather new process that needs to be developed further. Some line ministries have risk registers, but some have not developed them yet. It seems that the update of the risk registers varies across ministries. In that sense, main areas where further professional development is needed are competencies for risk assessment and risk management in general. More specifically, trainings are needed for development and update of risk registers and adequate procedures how to proceed when risk is downgraded or upgraded.

In terms of exercising control activities, digitalization of certain processes is seen as a way to make communication more effectively. Interviewees suggest that keeping books of business processes and audit trails are not common practices in the public institutions and Information Technology (IT) systems development is needed in order to improve the preventive control activities. This would certainly pose important requirements for professional development of civil servants.

Information and communication as one of the elements of COSO framework were also addressed in interviews. Main areas for further development are seen in using best practices of certain line ministries for improvement in other ministries and institutions. There is also a need to improve inter-ministerial communication lines and using IT to develop an Information Management System for ministries to communicate mutually.

Programme budgeting

Programme budgeting was also a topic for which questions were posed both to general managers and finance managers, but other employees of finance departments were also included. As in previous section, results for general managers will be presented first, then followed by results for managers and employees of finance departments.

Results show that many **general managers** do not engage in or even do not see programme budgeting practices as relevant for their job. However, a lot of them express high/moderate level of need for professional development in programme budgeting. For almost all practices more than 50% of general managers who understand them as a regular part of their work, expressed that they have high or moderate need for additional training. For a number of practices, these percentages were rather high - more than 70% stated that they have high/moderate level of need for further training in Developing budget programme structure, Defining programme objectives with reference to SMART criteria, Analysing how the achievement of the objectives can most appropriately and practically be measured, Defining indicators measuring the quality of services provided, Defining efficiency indicators, Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future, Reporting the achieved values through the use of selected indicators, Allocating costs of using goods and services across programmes, programme activities, and projects, Defining of unit cost for provided services, and Establishing the indirect costs.

Results for **employees in finance departments** in the area of programme budgeting are somewhat different than those observed for general managers. The biggest difference can be seen in the percentages of respondents who stated that the programme budgeting practices are not relevant for their job position - these answers were less often found in finance departments.

For all the programme budgeting practices at least 40% of respondents from finance departments (who see them as part of their job) stated that they have high or moderate level of need for professional development. However, only as an exception was there a practice with more than 60% of respondents claiming high/moderate level of need for professional development. In that sense, programme budgeting was less a priority than practices in financial management and control. Following practices from programme budgeting were found to be of highest priority: Defining the purpose of a programme,

programme activity, or project; Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects, Establishing the direct costs, Incorporating EU pre-accession assistance (IPA) funds into programme budget, Prioritising expenditures and outflows for the forthcoming programme activities or project, and Defining of unit cost for provided services.

Programme budgeting in Albania is in the process of development and in this respect, interviews indicate that main area of development is introducing new methodology of designing programme budgets. In terms of professional development main challenge is sustainability of skills gained and transfer of knowledge to colleagues. This is partly due to high workforce mobility in public administration, hence there is little sustainability when it comes to trainings and professional development. Another important issue in the area of establishing objectives in programme budgets is the fact that inter-sectorial policies require inter-sectorial processes and communication and objectives and therefore development of competences in this regard is required. In the area of establishing performance indicators, main challenge is seen in terms of its specification and operationalization. Moreover, process of further digitalization in public administration is seen to be instrumental in this respect. In the area of monitoring and reporting the achieved values through the use of selected indicators, findings from interviews indicate that systematic performance reporting, in accordance with established hierarchy, is needed in order to accomplish the objectives, as an important element of managerial accountability.

Budget implementation and accounting

Respondents from finance departments, expectedly, frequently stated that they are involved in all the practices of budget implementation, often to a greater extent. In terms of perceived needs for professional development in listed practices, a range of 38% to 64% of respondents stated that they have high/moderate level of such needs. Among the practices which were most often mentioned as those needed to be developed more are: Planning budget implementation on a daily and monthly basis, Managing budget appropriations and quotas, Assuring the accuracy of budget classification (economic, organizational, functional, etc.), Preparation of reports on budget implementation, and Assuring adequacy of submitted documentation for incurrence of liabilities (decision, resolution, contract, estimate, account, etc.)

Results show that all the practices related to accounting practices and production of financial statements are part of regular work of employees of finance departments, and in most of the cases they are taking part in these practices to a greater extent. For all the practices, from 40% to 62% of staff of finance departments stated that they have high or moderate level of need for professional development in order to perform those practices more effectively. In the area of managing accounting - those accounting practices that are dominantly of analytical character and are aimed for informing organizational management - in most of the cases, finance department staff stated that these practices are part of their work, i.e. they are involved in their implementation. This might be seen as surprising, as some of those practices do represent analytical work which is often underused in public administration (practices like cost-benefit analysis and cost-efficiency analysis, ration analysis, trend analysis). Needs for professional development in this field were less prominent - for all practices claims of high/moderate level of needs

ranged from 33% to 55%. The highest level of development need was found for the following practices: Performing trend analysis, Performing cost-benefit analysis and cost-efficiency analysis, and Analysing of financial statements of indirect budget users.

Significant percentages of respondents from finance departments stated that practices within the framework of financial management of European Union and co-financing funds are not relevant for their job position (percentages ranging from 42% to 50%) or that they are not involved in them (5% to 22%). This signals that finance departments are not participating in any substantial manner in implementing financial management of EU and co/financing funds. However, it seems that those who think that this is relevant for their job are aware of the need to improve their competencies in this area. Two thirds of respondents expressed moderate need for professional development in following practices: Planning European Union and co-financing funds, Managing flow and transfer of European Union and co-financing funds, and Managing funds of national co-financing (under the management of financial assistance of the European Union). Half of respondents voiced that they have high/moderate need for development for: Requesting funds from the European Commission National Authorizing Officer, Transferring funds to contractors / grant beneficiaries, Suspending payments, Reallocating of funds (all under the rules of management of financial assistance of the European Union).

Managing public policy

Questions about managing public policy were administered only to general managers. Results show that to a large extent general managers are performing different ways of situation/problem analysis. Most often they said that they are to a greater extent involved in: Performing systematic analysis of problems in respective area, including examination of cause and effect relationships, Assessing the legal framework in the respective area, and Analysing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports. Interestingly, exactly those practices that were somewhat less often mentioned as being part of their job, got the highest priority for professional development (64-77% of respondents expressed high or moderate need): Analysing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area, Performing comparative analyses of problems/solutions for similar issues in other countries, Identifying key stakeholders and performing stakeholder analysis, and Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority. Moreover, for each of the practices listed in this part of the questionnaire at least 50% of respondents stated that they have high or moderate level of need for further training.

Results of qualitative part of the research indicates that in previous years a lot has changed in terms of policy framework and respective legislation and that there is a general sense of improvement in the area, but further professional development is needed for increased productivity of civil servants.

In terms of establishing policy objectives and performance indicators, monitoring and evaluation framework and conducting elements of ex-ante policy impact analysis, results show significantly more presence of the answer *This is not relevant for my job* (ranging from 22% to 48). Here, for those practices in which general managers are involved to a greater extent they also most frequently stated that they

have high or moderate need for further improvement: Establishing framework for monitoring and evaluating policy implementation and its results, Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation. In general, for almost all practices in these segments of managing public policy, roughly between 40 to 55% of respondents (out of those who see them as relevant part for their job) stated high or moderate needs for professional development. Looking at this finding from a different angle, this also means that 45 to 60% of respondents feel that they have low or no need at all to further develop in these areas.

Interviews show that although rules for developing new policies are clearly set and that Council of Ministers monitors and sets new policies, as a challenge remains assuring adequate inputs from each civil servant that works directly on the issue addresses by the policy. It was emphasized that there is a need for more training in how to successfully develop policy objectives, which at the same time are founded on previous experience and knowledge that had been accumulated in public administration. Moreover, it was emphasized a need for better communication and cooperation between different units within a given ministry and between different ministries. This is also important finding both from the perspective of organizational development and personal professional development. Interviews also indicated that procedures for policy impact analysis are recently established and that main areas where further development is needed is quality assurance of these procedures and assuring independence and objectivity of the analysis. In that sense, involvement of independent research centres is seen as instrumental.

The final area of public policy management that was investigated dealt mainly with assessing different policy options and analysing policy implementation aspects. Practices for which general managers most frequently claimed that they are involved to a greater extent are: Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects, Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations, and Monitoring the realization of set objectives for each of the defined performance indicator. For two practices significant percentages of respondents stated that they are not relevant for their job position: Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome (48%) and Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis (39%).

For all practices in this set of practices at least 50% of respondents (out of those who see them as relevant for their job) claimed that they have high or moderate need for professional development. Most pronounced such results are found for these practices: Examining legal, organizational, managerial, and institutional aspects of the considered policy options' effects Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis and Consulting relevant public administration and state bodies, including civil society organizations and scientific and research organizations (ranging from 66 to 77%).

The analysis of interviews showed that among most important challenges in managing public policy are those connected to policy implementation and its monitoring. It was stressed that there is a need for more

harmonization between policy principles, strategies, laws and practices of policy implementation. Furthermore, although there are developments in the field of policy monitoring and policy impact evaluation, there is a need for development of skills of civil servants to monitor the results of a given policy (in cooperation with research institutions since it can not be done by ministerial staff only). In relation to participation of stakeholders and target groups about a new policy, there was an opinion that this matter is more than sufficiently addressed in many trainings for public administration. Civil servants need to be trained on how to communicate with stakeholders and how to incorporate this knowledge in an effective way into new policies. In this respect, maybe the biggest challenge is ensuring independence from vested political interests.

Internal audit

Questionnaire covering internal audit was administered only to internal auditors in public administration organizations. In contrast to other questionnaires, this one asked only for perception of professional development needs for varying internal audit practices.

Results show that, in general, internal auditors are frequently of opinion that they need further professional development - on average, this is more frequent than with other investigated subsamples. Only as exception there is an internal audit practice for which less than 50% of auditors feel they have high/moderate level of need for professional development. By rule, these percentages are considerably higher. Most notably, internal auditors express the need for professional development in performing performance audit (81% of high/moderate need), performing information system audit (90%), and performing audit of programs and projects funded by the European Union (90%). Aside these highest development priorities, here is also a list of practices for which more than 70% of auditors stated high/moderate level of need for professional development:

- Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals
- Assess whether the information technology governance of the organisation supports the organisation's strategies and objectives
- Assessing whether significant risks are identified and assessed
- Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite
- Evaluating risk exposures relating to achievement of the organisation's strategic objectives; relating to reliability and integrity of financial and operational information
- Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.
- Evaluating the adequacy and effectiveness of controls in responding to risks regarding: the achievement of the organisation's strategic objectives, reliability and integrity of financial and operational information, effectiveness and efficiency of operations and programmes,
- Conducting a preliminary assessment of the risks relevant to the activity under review
- Working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls
- Reviewing of the public procurement procedures

- Reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out
- Reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation
- Utilizing observation and enquiry techniques

Qualitative part of this survey comprised interviews with internal auditors aiming to go more in depth in certain internal audit issues in Albania. First finding is that financial audit is the most developed type of audit in Albanian public administration. However, it has to be understood that financial audit focuses on finances and also on systems. It is necessary, as interviewees suggest, to provide detailed and specific recommendations and to distinguish between recommendations about financial transactions and recommendations about the overall performance of financial systems. Furthermore, what is needed is to focus audit on the causes of problems identified and to provide recommendations for those identified causes as well. In that respect, it was advised to place emphasis on skills development towards identification of root causes of malpractices or financial issues, Experiences from financial audit could be used as a best practice for other areas to be auditing given that financial auditing is, as already noted, well developed.

As far as compliance audit is concerned, it seems that established methodology is functional. Main areas for development would concentrate on raising awareness of directors/line managers/senior management about the value of auditing and the paramount importance of keeping this function independent.

Performance audit is seen as a major challenge which deserves further development (especially when financial audit practices are well functioning). More inclusive stance is expected from Internal Auditing Directory of the Ministry of Finance towards auditing other processes, rather just financial issues and transactions. In this light can be seen a plan that by 2020, 70% of auditing must be performance auditing. Therefore, a clear message is that much more needs to be done to train internal auditors in this regard.

Information system audit and auditing programs and projects funded by EU are still in the piloting phases in Albania, i.e. new methodologies are being implemented. It should be noted that Central financial management unit of the Ministry of finance is in charge of auditing IPA projects. In relation to information system auditing, digitalization process in public administration requires intensive capacity development for auditing all types of information systems. In that respect, internal auditors should be trained in IT systems, but there is an idea that some IT experts in public administration should be also trained in auditing, so to combine expertise for better auditing.

Another topic for interviews with internal auditors was usage of different audit tests and techniques. General conclusion is that there is an established methodology and procedures set. Nevertheless, there is a need for adoption of new auditing techniques and developing the existing ones (like interviewing), as reported by some of the interviewed internal auditors.

Finally, internal auditors were asked to give their opinions about reporting and communicating the results and recommendation of internal audit to senior management and subsequent follow up (monitoring of progress). It seems that a lot of progress has been made when it comes to communication of results and

recommendation. However, there are a few areas where further development is needed. Firstly, training on how to analyse causes of problems and how to draw conclusions and recommendations for these problems that are specific and to the point (provide specific, not general recommendations). Moreover, there is a need to improve the language of reporting – it needs to be simple, clear and precise. But, in the end as one interviewee nicely said ‘auditing is not a task force, it is a service. It is up to the senior management to take actions’.

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ANNEXES

Annex 1: Questionnaires

Questionnaire for general management

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, sub programme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately 30 minutes to complete.

Thank you very much for your cooperation!



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I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organisation
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System
- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4. How many civil servants are under your direct supervision? _____

A5. If you are on executorial position, what is your rank?

- a. High level director
- b. Middle level director
- c. Low level director
- d. Executive servant

A6. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A7. How many years have you been working in supervising (managing) position altogether?

_____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

Doctorate / PhD degree

B15. Country of study: _____

B16. Type of institution:

- c. Public
- d. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- c. Completed
- d. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform
- e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III PROFESSIONAL PRACTICES AND PROFESSIONAL DEVELOPMENT

In this section we are interested 1) whether you perform certain practices within the scope of your work (whether by yourself, in a team or group or organization wide), and 2) to what extent do you need further professional development in order to perform these practices more effectively. When answering, please bear in mind the scope of responsibilities for which you are primarily entitled as appointed or executorial civil servant.

Listed practices should be considered as systematic activity leaving an audit trail (and not as spontaneous, informal activity).

Professional practices and professional development needs in relation to

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position

C1	Performing systematic analysis of problems in respective area, including examination of cause and effect relationships	1	2	3	4	1	2	3	4	5
C2	Examining the effectiveness of existing policies or policy - implementing measures in the respective area	1	2	3	4	1	2	3	4	5
C3	Assessing the legal framework in the respective area	1	2	3	4	1	2	3	4	5
C4	Analyzing the impact of obligations assumed in the accession to the EU and in other ratified international treaties in the relevant policy area	1	2	3	4	1	2	3	4	5
C5	Analyzing key issues and associated risks based on facts and information collected from existing studies, analyses, and reports	1	2	3	4	1	2	3	4	5
C6	Using statistical data and analysis for assessing key issues and associated risks	1	2	3	4	1	2	3	4	5
C7	Performing comparative analyses of problems/solutions for similar issues in other countries	1	2	3	4	1	2	3	4	5
C8	When defining key policy issues employing various analytical techniques such as the problem tree, SWOT analysis, PESTLE analysis and the like	1	2	3	4	1	2	3	4	5
C9	Identifying key stakeholders and performing stakeholder analysis (analyzing their needs, interests, and capacities)	1	2	3	4	1	2	3	4	5
C10	Identifying assumptions/external factors that have the potential to influence (or even determine) the success of a project, but lie outside the direct control of public authority	1	2	3	4	1	2	3	4	5

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C11	Establishing objectives to be achieved by implementing measures contained in the policy document or policy-implementing regulation	1	2	3	4	1	2	3	4	5
C12	Establishing performance indicators for measuring the efficiency and effectiveness of policy implementation and for monitoring the realization of set objectives	1	2	3	4	1	2	3	4	5
C13	Establishing performance indicators at the level of impact, outcome, and output indicators	1	2	3	4	1	2	3	4	5

C14	Within performance indicators defining the base value (the existing value), target value, and the source of verification for achieved values	1	2	3	4	1	2	3	4	5
C15	Establishing framework for monitoring and evaluating policy implementation and its results	1	2	3	4	1	2	3	4	5
C16	Defining the method for assessing achieved results, or the method for evaluating the efficiency of policy document implementation	1	2	3	4	1	2	3	4	5
C17	Analyzing the impact of other policies and regulations relevant for the respective area	1	2	3	4	1	2	3	4	5
C18	Assessing new policy idea in relation to development policy and priorities and on-going development activities in the country	1	2	3	4	1	2	3	4	5
C19	Assessing financial means required for the realisation of each policy measure or regulation	1	2	3	4	1	2	3	4	5
C20	Examining the effects of considered policy options on the economy in general, and on the certain economic sectors and businesses	1	2	3	4	1	2	3	4	5
C21	Examining significant direct and indirect effects of considered policy options on various population categories	1	2	3	4	1	2	3	4	5
C22	Examining significant direct and indirect effects of considered policy options on vulnerable categories or groups (primarily the poor, the disabled, minorities, etc.)	1	2	3	4	1	2	3	4	5
C23	Examining the effects of considered options on the environment	1	2	3	4	1	2	3	4	5

POLICY FORMULATION, IMPLEMENTATION, AND EVALUATION - PART 3

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C24	Assessing the policy implementation risks and uncertainties	1	2	3	4	1	2	3	4	5
C25	Performing basic institutional capacity assessment in relation to policy implementation (capacity to deliver services and manage change)	1	2	3	4	1	2	3	4	5

C26	Examining legal, organisational, managerial, and institutional aspects of the considered policy options' effects	1	2	3	4	1	2	3	4	5
C27	Identifying different policy options to achieve set objectives	1	2	3	4	1	2	3	4	5
C28	Comparing the advantages and disadvantages of each analysed option in order to determine the most efficient one for achieving set objectives, or the one with least disadvantages.	1	2	3	4	1	2	3	4	5
C29	Considering the "optimistic" and "pessimistic" scenario of a given policy option's outcome	1	2	3	4	1	2	3	4	5
C30	Employing quantitative techniques such as the cost-benefit analysis and cost-efficiency analysis.	1	2	3	4	1	2	3	4	5
C31	Consulting relevant public administration and state bodies, including civil society organisations and scientific and research organisations.	1	2	3	4	1	2	3	4	5
C32	Monitoring the realisation of set objectives for each of the defined performance indicator	1	2	3	4	1	2	3	4	5
C33	Preparing of Terms of Reference for different purposes within the policy process	1	2	3	4	1	2	3	4	5

Professional practices and professional development needs in relation to

FINANCIAL MANAGEMENT AND CONTROL - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D1	Ensuring that employees are made familiar with the code of conduct	1	2	3	4	1	2	3	4	5

D2	Reviewing training needs, promotions, and performances of employees	1	2	3	4	1	2	3	4	5
D3	Analysing the needs of employees for training in financial management and control	1	2	3	4	1	2	3	4	5
D4	Supervising the employees and providing them with the support they need to perform key tasks	1	2	3	4	1	2	3	4	5
D5	Informing employees about long and short-term goals of the organization	1	2	3	4	1	2	3	4	5
D6	Segregating duties among the employees	1	2	3	4	1	2	3	4	5
D7	Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	1	2	3	4	1	2	3	4	5
D8	Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	1	2	3	4	1	2	3	4	5
D9	Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing and recording business changes	1	2	3	4	1	2	3	4	5
D10	Determining clear lines of reporting	1	2	3	4	1	2	3	4	5
D11	Documenting all business processes and transactions required for preparing appropriate audit trails	1	2	3	4	1	2	3	4	5
D12	Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	1	2	3	4	1	2	3	4	5
D13	Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	1	2	3	4	1	2	3	4	5

FINANCIAL MANAGEMENT AND CONTROL - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D14	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	1	2	3	4	1	2	3	4	5
D15	Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	1	2	3	4	1	2	3	4	5
D16	Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	1	2	3	4	1	2	3	4	5

D17	Developing risk management strategy	1	2	3	4	1	2	3	4	5
D18	Assessing the risks in terms of their impact and probability	1	2	3	4	1	2	3	4	5
D19	Using technique <i>risk exposure matrix</i>	1	2	3	4	1	2	3	4	5
D20	Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	1	2	3	4	1	2	3	4	5
D21	Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	1	2	3	4	1	2	3	4	5
D22	Contingency planning - planning for solving the consequences if a certain risk materializes	1	2	3	4	1	2	3	4	5
D23	Checking whether the risk level is changing	1	2	3	4	1	2	3	4	5
D24	Assuring that controls that should minimize the risk are in place and functioning efficiently	1	2	3	4	1	2	3	4	5
D25	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	1	2	3	4	1	2	3	4	5
D26	Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	1	2	3	4	1	2	3	4	5
D27	Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	1	2	3	4	1	2	3	4	5
D28	Performing corrective control activities - designed to correct detected errors	1	2	3	4	1	2	3	4	5
D29	Ensuring that the procedures for access to data and records in place and applied	1	2	3	4	1	2	3	4	5
D30	Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	1	2	3	4	1	2	3	4	5
D31	Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	1	2	3	4	1	2	3	4	5
D32	Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	1	2	3	4	1	2	3	4	5
D33	Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the	1	2	3	4	1	2	3	4	5

	management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).									
D34	Reporting on risk management and internal control within the organization	1	2	3	4	1	2	3	4	5

Professional practices and professional development needs in relation to

PROGRAMME BUDGETING - PART 1

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E1	Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	1	2	3	4	1	2	3	4	5

E2	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	1	2	3	4	1	2	3	4	5
E3	Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	1	2	3	4	1	2	3	4	5
E4	Defining the purpose of a programme, programme activity, or project	1	2	3	4	1	2	3	4	5
E5	Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	1	2	3	4	1	2	3	4	5
E6	Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	1	2	3	4	1	2	3	4	5
E7	Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	1	2	3	4	1	2	3	4	5
E8	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	1	2	3	4	1	2	3	4	5
E9	Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	1	2	3	4	1	2	3	4	5
E10	Analysing how the achievement of the objectives can most appropriately and practically be measured	1	2	3	4	1	2	3	4	5
E11	Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	1	2	3	4	1	2	3	4	5
E12	Defining indicators measuring the quantity or volume of service provided	1	2	3	4	1	2	3	4	5
E13	Defining indicators measuring the quality of services provided	1	2	3	4	1	2	3	4	5

E14	Defining efficiency indicators used to measure the achievement of results at an appropriate cost	1	2	3	4	1	2	3	4	5
E15	Using logical framework matrix (Logframe) as a tool for programme/project management	1	2	3	4	1	2	3	4	5

PROGRAMME BUDGETING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E16	Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	1	2	3	4	1	2	3	4	5

E17	Prioritising expenditures and outflows for the forthcoming programme activities or project	1	2	3	4	1	2	3	4	5
E18	Planning costs of the current programme activities or project in the coming year	1	2	3	4	1	2	3	4	5
E19	Incorporating EU pre-accession assistance (IPA) funds into programme budget	1	2	3	4	1	2	3	4	5
E20	Defining of unit cost for provided services	1	2	3	4	1	2	3	4	5
E21	Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	1	2	3	4	1	2	3	4	5
E22	Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	1	2	3	4	1	2	3	4	5
E23	Allocating incomes and other employee receiving across the programmes, programme activities or projects	1	2	3	4	1	2	3	4	5
E24	Allocating costs of using goods and services across programmes, programme activities, and projects.	1	2	3	4	1	2	3	4	5
E25	Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	1	2	3	4	1	2	3	4	5
E26	Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	1	2	3	4	1	2	3	4	5
E27	Reporting the achieved values through the use of selected indicators	1	2	3	4	1	2	3	4	5
E28	Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	1	2	3	4	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of public administration you have attended.

Professional development activity 1 / 2 / 3

F1/7/13. Please mark one of the listed areas to which main topics of the professional development activity best fit:

- a. Public policy process (formulation, implementation, evaluation)
- b. Financial management and control
- c. Programme budgeting
- d. Other topics in the field of public administration.

F1a/7a/13a. If your answer on previous question was *Other topics* – please write what that topic was: _____

F2/8/14. Country where the training was held: _____

F3/9/15. Duration of the training in days: _____ days

F4/10/16. In which year the training was held: _____

F5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Non-profit (civil society) organization
- f. Commercial organization
- g. Other

F6/12/18. Whose initiative was to attend this professional development activity?

- a. My own initiative
- b. Initiative of my supervisor
- c. The training was part of obligatory professional development for civil servants
- d. Other

F6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

F19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

F20. If your answer on previous question was *Other* – please explain this answer:

This is the end of the questionnaire.

Thank you very much for your cooperation!

Questionnaire for management/staff in finance departments

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogramme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately 30 minutes to complete.

Thank you very much for your cooperation!

*Note: Questions marked with * were answered only by heads of finance departments*

I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organization
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System
- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4*. How many civil servants are under your direct supervision? _____

A5. If you are on executorial position, what is your rank?

- a. High level director
- b. Middle level director
- c. Low level director
- d. Executive servant

A6. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A7*. How many years have you been working in supervising (managing) position altogether?

_____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

Doctorate / PhD degree

B15. Country of study: _____

B16. Type of institution:

- a. Public
- b. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- a. Completed
- b. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform
- e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III PROFESSIONAL PRACTICES AND PROFESSIONAL DEVELOPMENT

In this section we are interested 1) whether you perform certain practices within the scope of your work (whether by yourself, in a team or group or organization wide), and 2) to what extent do you need further professional development in order to perform these practices more effectively. When answering, please bear in mind the scope of responsibilities for which you are primarily entitled as appointed or executorial civil servant.

Listed practices should be considered as systematic activity leaving an audit trail (and not as spontaneous, informal activity).

Professional practices and professional development needs in relation to FINANCIAL MANAGEMENT AND CONTROL - PART 1*

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)	Part (B)
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)	To what extent do you need further professional development in order to perform each of the practices more effectively?

		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C1	Ensuring that employees are made familiar with the code of conduct	1	2	3	4	1	2	3	4	5
C2	Reviewing training needs, promotions, and performances of employees	1	2	3	4	1	2	3	4	5
C3	Analysing the needs of employees for training in financial management and control	1	2	3	4	1	2	3	4	5
C4	Supervising the employees and providing them with the support they need to perform key tasks	1	2	3	4	1	2	3	4	5
C5	Informing employees about long and short-term goals of the organization	1	2	3	4	1	2	3	4	5
C6	Segregating duties among the employees	1	2	3	4	1	2	3	4	5
C7	Preparing detailed descriptions for business processes, including documentation flow, steps in decision-making process, deadlines for job completion	1	2	3	4	1	2	3	4	5
C8	Establishing clear policies on authorizations and approvals of certain activities and transactions in writing	1	2	3	4	1	2	3	4	5
C9	Ensuring that the same person does not perform two or more of the following duties: proposing, approving, executing and recording business changes	1	2	3	4	1	2	3	4	5
C10	Determining clear lines of reporting	1	2	3	4	1	2	3	4	5
C11	Documenting all business processes and transactions required for preparing appropriate audit trails	1	2	3	4	1	2	3	4	5
C12	Developing information and communication system that will provide employees with clear and precise directives and instructions on their role and responsibilities concerning financial management and control	1	2	3	4	1	2	3	4	5
C13	Using of the documentation and documentation flow system that includes rules for registration, preparation, flow, use and filing of documents	1	2	3	4	1	2	3	4	5

FINANCIAL MANAGEMENT AND CONTROL - PART 2*

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C14	Identifying financial risks – events that could result in a direct negative financial impact and can lead to increased costs	1	2	3	4	1	2	3	4	5
C15	Identifying operational risks – events or actions that can disrupt the delivery of services or result in departure from set goals	1	2	3	4	1	2	3	4	5
C16	Identifying reputational risks – events or actions that could jeopardize the organization’s reputation.	1	2	3	4	1	2	3	4	5
C17	Developing risk management strategy	1	2	3	4	1	2	3	4	5
C18	Assessing the risks in terms of their impact and probability	1	2	3	4	1	2	3	4	5
C19	Using technique <i>risk exposure matrix</i>	1	2	3	4	1	2	3	4	5

C20	Developing and supplementing risk register – a simple summary of risks, consequences, responsible parties, and activities taken to avert the risks	1	2	3	4	1	2	3	4	5
C21	Using risk management form - a document that contains more details concerning the inherent and residual risk, as well as the control activities and contingency plans	1	2	3	4	1	2	3	4	5
C22	Contingency planning - planning for solving the consequences if a certain risk materializes	1	2	3	4	1	2	3	4	5
C23	Checking whether the risk level is changing	1	2	3	4	1	2	3	4	5
C24	Assuring that controls that should minimize the risk are in place and functioning efficiently	1	2	3	4	1	2	3	4	5
C25	Performing preventive control activities - those designed to discourage any omissions, inefficiencies, errors and/or irregularities from occurring	1	2	3	4	1	2	3	4	5
C26	Performing detective control activities - designed to detect and correct errors, inefficiencies and/or irregularities	1	2	3	4	1	2	3	4	5
C27	Performing directive control activities - designed to encourage activities and events necessary for fulfilment of objectives	1	2	3	4	1	2	3	4	5
C28	Performing corrective control activities - designed to correct detected errors	1	2	3	4	1	2	3	4	5
C29	Ensuring that the procedures for access to data and records in place and applied	1	2	3	4	1	2	3	4	5
C30	Safeguarding and protecting assets and information from loss, theft, unauthorized or improper use	1	2	3	4	1	2	3	4	5
C31	Ensuring that financial and other information required for accounting and financial reporting purposes are kept in compliance with the law on the budget and other relevant regulations	1	2	3	4	1	2	3	4	5
C32	Monitoring of control adequacy to provide reasonable assurances that the organisation is likely to achieve its objectives	1	2	3	4	1	2	3	4	5
C33	Establishing and applying of a reporting system (including levels and deadlines for reporting, types of reports to be delivered to the management and manner of reporting in case of any observed errors, irregularities, funds or information misuse, frauds or illegal activities).	1	2	3	4	1	2	3	4	5

C34	Reporting on risk management and internal control within the organization	1	2	3	4	1	2	3	4	5
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**Professional practices and professional development needs in relation to
PROGRAMME BUDGETING - PART 1**

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D1	Developing budget programme structure made up of three programme categories: programme, programme activity, and project that are used to group expenditures and outflows	1	2	3	4	1	2	3	4	5

D2	Identifying various programme activities that contribute to the achievement of the purposes and objectives established by the programme.	1	2	3	4	1	2	3	4	5
D3	Developing various time-limited business ventures - projects, the implementation of which also contributes to the achievement of the purposes and objectives established by the programme	1	2	3	4	1	2	3	4	5
D4	Defining the purpose of a programme, programme activity, or project	1	2	3	4	1	2	3	4	5
D5	Defining the grounds of a programme (information on the legal grounds and medium-term plans and/or strategies used to set the objectives of the programme) and its programme activities and projects.	1	2	3	4	1	2	3	4	5
D6	Describing the programme, programme activity, or project (includes an explanation of the key activities to be accomplished and services to be provided).	1	2	3	4	1	2	3	4	5
D7	Establishing objectives of a programme (the specific social or economic effect – the final outcome to be achieved over the medium term – of the measures undertaken as part of the programme).	1	2	3	4	1	2	3	4	5
D8	Establishing objectives of a programme activity or project (it can relate to the final outcome or to the direct short-term and medium-term outputs)	1	2	3	4	1	2	3	4	5
D9	Defining programme objectives with reference to SMART criteria (Specific, Measurable, Achievable, Relevant, Time-bound)	1	2	3	4	1	2	3	4	5
D10	Analysing how the achievement of the objectives can most appropriately and practically be measured	1	2	3	4	1	2	3	4	5
D11	Establishing performance indicators which ensure information on the effectiveness and efficiency of programmes, programme activities and projects	1	2	3	4	1	2	3	4	5
D12	Defining indicators measuring the quantity or volume of service provided	1	2	3	4	1	2	3	4	5
D13	Defining indicators measuring the quality of services provided	1	2	3	4	1	2	3	4	5

D14	Defining efficiency indicators used to measure the achievement of results at an appropriate cost	1	2	3	4	1	2	3	4	5
D15	Using logical framework matrix (Logframe) as a tool for programme/project management	1	2	3	4	1	2	3	4	5

PROGRAMME BUDGETING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Part (A)				Part (B)				
		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
D16	Examining inefficient spending and areas where the desired results are not being achieved, and which need more resources	1	2	3	4	1	2	3	4	5

D17	Prioritising expenditures and outflows for the forthcoming programme activities or project	1	2	3	4	1	2	3	4	5
D18	Planning costs of the current programme activities or project in the coming year	1	2	3	4	1	2	3	4	5
D19	Incorporating EU pre-accession assistance (IPA) funds into programme budget	1	2	3	4	1	2	3	4	5
D20	Defining of unit cost for provided services	1	2	3	4	1	2	3	4	5
D21	Establishing the direct costs – the costs to be used exclusively for carrying out tasks within one program activity or project	1	2	3	4	1	2	3	4	5
D22	Establishing the indirect costs - the costs to be used for implementing various programme activities and / or projects simultaneously	1	2	3	4	1	2	3	4	5
D23	Allocating incomes and other employee receiving across the programmes, programme activities or projects	1	2	3	4	1	2	3	4	5
D24	Allocating costs of using goods and services across programmes, programme activities, and projects.	1	2	3	4	1	2	3	4	5
D25	Monitoring which allows the collection and provision of information on how a programme, programme activity, or project is implemented against its expected results.	1	2	3	4	1	2	3	4	5
D26	Analysing the measures implemented, funds spent, and results achieved over the course of the previous fiscal year and drawing the implications for the future	1	2	3	4	1	2	3	4	5
D27	Reporting the achieved values through the use of selected indicators	1	2	3	4	1	2	3	4	5
D28	Reporting on the results of activities carried out over the course of the preceding fiscal year in terms of values achieved as measured by output indicators, including any departures from target values.	1	2	3	4	1	2	3	4	5

**Professional practices and professional development needs in relation to
BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 1**

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position

E1	Preparing proposals for determining priority areas of financing for the budget year and the two following fiscal years	1	2	3	4	1	2	3	4	5
E2	Preparing drafts of medium-term and financial plan	1	2	3	4	1	2	3	4	5
E3	Preparing budget implementation plans	1	2	3	4	1	2	3	4	5
E4	Planning budget implementation on a daily and monthly basis	1	2	3	4	1	2	3	4	5
E5	Managing budget appropriations and quotas	1	2	3	4	1	2	3	4	5
E6	Assuring the accuracy of budget classification (economic, organizational, functional, etc.)	1	2	3	4	1	2	3	4	5
E7	Preparation of reports on budget implementation	1	2	3	4	1	2	3	4	5
E8	Assuring adequacy of submitted documentation for incurrence of liabilities (decision, resolution, contract, estimate, account, etc.)	1	2	3	4	1	2	3	4	5
E9	Assuring that a liability incurred is in compliance with the regulated appropriations	1	2	3	4	1	2	3	4	5
E10	Monitoring compatibility of accounting documentation with contracted values	1	2	3	4	1	2	3	4	5
E11	Assuring adequacy of financial and material documentation in terms of compliance with fiscal, accounting, financial and other relevant regulations	1	2	3	4	1	2	3	4	5
E12	Performing substantive, formal and computational control of financial documentation	1	2	3	4	1	2	3	4	5
E13	Controlling financial documentation in connection with the execution of internal payment orders and other payments	1	2	3	4	1	2	3	4	5
E14	Monitoring payments and transfer of funds to indirect budget users	1	2	3	4	1	2	3	4	5
E15	Working with Financial Management Information System application run by the Treasury	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 2

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E16	Assuring that bookkeeping is made on the basis on reliable accounting business information and valid documents	1	2	3	4	1	2	3	4	5
E17	Assuring that bookkeeping of subsidiary books is conducted by programs and sources of financing, indirect users and accounts	1	2	3	4	1	2	3	4	5

E18	Controlling the accuracy of accounting records and compliance with procedures established by the regulations	1	2	3	4	1	2	3	4	5
E19	Producing periodical and annual financial statements	1	2	3	4	1	2	3	4	5
E20	Producing cash flow statements	1	2	3	4	1	2	3	4	5
E21	Producing balance sheet	1	2	3	4	1	2	3	4	5
E22	Producing statement of revenues and expenditures	1	2	3	4	1	2	3	4	5
E23	Preparing report on budget implementation prepared in such a way to present the discrepancy between the approved resources and execution	1	2	3	4	1	2	3	4	5
E24	Preparing reports on utilization of funds from current and permanent budget reserve	1	2	3	4	1	2	3	4	5
E25	Preparing reports on guarantees issued during the fiscal year	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 3

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)				To what extent do you need further professional development in order to perform each of the practices more effectively?				
		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E26	Analyzing of financial statements of indirect budget users	1	2	3	4	1	2	3	4	5

E27	Assessing financial means required for the realization of each policy measure or regulation	1	2	3	4	1	2	3	4	5
E28	Performing cost-benefit analysis and cost-efficiency analysis.	1	2	3	4	1	2	3	4	5
E29	Performing financial ratio analysis (e.g. liquidity ratio, risk ratio, activity ratio...)	1	2	3	4	1	2	3	4	5
E30	Performing trend analysis (examining and determining the trends of items in financial statements over time)	1	2	3	4	1	2	3	4	5
E31	Analyzing non-financial information (with financial information)	1	2	3	4	1	2	3	4	5
E32	Analyzing the ability of organization to timely meet its financial obligations	1	2	3	4	1	2	3	4	5
E33	Predicting financial problems of organization before they become serious	1	2	3	4	1	2	3	4	5
E34	Predicting the financial situation of organization for the years ahead	1	2	3	4	1	2	3	4	5

BUDGET IMPLEMENTATION, ACCOUNTING, AND REPORTING - PART 4

For each practice below, please mark one choice in part (A) and one choice in part (B). If a given practice is not relevant for your job position please mark appropriate choice in both part (A) and part (B).

		Do you take part in each of the practices listed? (whether you actually perform it, organize it or manage/supervise it)	To what extent do you need further professional development in order to perform each of the practices more effectively?
--	--	---	--

		Yes, to a greater extent	Yes, to a lesser extent	No	This is not relevant for my job position	High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
E35	Implementing procedures of financial management of European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E36	Planning European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E37	Managing flow and transfer of European Union and co-financing funds	1	2	3	4	1	2	3	4	5
E38	Managing funds of national co-financing (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E39	Requesting funds from the European Commission National Authorizing Officer	1	2	3	4	1	2	3	4	5
E40	Transferring funds to contractors / grant beneficiaries (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E41	Suspending payments (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5
E42	Reallocating of funds (under the management of financial assistance of the European Union)	1	2	3	4	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of public administration you have attended.

Professional development activity 1 / 2 / 3

F1/7/13. Please mark one of the listed areas to which main topics of the professional development activity best fit:

- a. Public policy process (formulation, implementation, evaluation)
- b. Financial management and control
- c. Programme budgeting
- d. Other topics in the field of public administration.

F1a/7a/13a. If your answer on previous question was *Other topics* – please write what that topic was: _____

F2/8/14. Country where the training was held: _____

F3/9/15. Duration of the training in days: _____ days

F4/10/16. In which year the training was held: _____

F5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Non-profit (civil society) organization
- f. Commercial organization
- g. Other

F6/12/18. Whose initiative was to attend this professional development activity?

- a. My own initiative
- b. Initiative of my supervisor



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- c. The training was part of obligatory professional development for civil servants
- d. Other

F6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

F19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

F20. If your answer on previous question was *Other* – please explain this answer:

This is the end of the questionnaire.

Thank you very much for your cooperation!

Questionnaire for internal auditors

FINAC

Financial management, accounting and controlling in public administration

This survey is prepared within the project Financial management, accounting and controlling in public administration (FINAC) under the EU programme ERASMUS +, subprogramme *Capacity Building in Higher Education*. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved throughout developing/modernizing master degree programmes and provision of trainings for public administration employees in the field of financial management, accounting and controlling.

Project is implemented in Serbia and Albania and the project consortium involves 12 partners (from Serbia, Albania and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra. More about the project can be found on <http://www.finac.org.rs>

Exclusive purpose of this survey is to gather information that would guide the development of new master programmes and in-service trainings so they are tailored to the real needs of public administration and its employees. This survey is anonymous. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

This questionnaire asks for information about the professional practices you perform in your daily work and further professional development you need to perform these practices more effectively. Furthermore, it asks about your initial education and professional development that you already had. This questionnaire should take approximately up to 30 minutes to complete.

Thank you very much for your cooperation!

I BACKGROUND INFORMATION

A1. How old are you? _____ years
(Please round to the nearest whole number.)

A2. In what type of institution do you work?

- a. Ministry
- b. Integrated authority within the ministry
- c. Special organisation
- d. Government service (office)

A3. In what sector of public administration do you work?

- a. Agriculture and Rural Development
- b. Science, Technological Development, and Innovation
- c. Foreign Affairs
- d. Environment
- e. Energy, Mineral Resources, and Mining
- f. General Public Administration Services
- g. Transport and Transport Infrastructure
- h. Labour Market
- i. Social Security
- j. Human Rights and Civil Society
- k. Construction, Urban and Spatial Planning
- l. Culture, Communications, and the Media
- m. Sports and Youth
- n. Public Security
- o. Economic and Development Policy
- p. Judiciary and the Legal System
- q. Defence
- r. Healthcare
- s. Religious Affairs and Diaspora
- t. Education
- u. Political System
- v. Financial and Fiscal System

A4. What is your job position?

- a. The chief audit executive
- b. Internal auditor (certified)
- c. Internal auditor (in the process of training/certification)

A5. How many internal auditors are employed in your internal audit unit (including the chief audit executive)? _____

A6. What is your civil servant rank?

- a. High level director
- b. Middle level director
- c. Low level director
- d. Executive servant

A7. How many years have you been working in public administration altogether?

_____ years

Please round to the nearest whole number.

A8. How many years have you been working as a certified internal auditor in public sector?

_____ years

Please round to the nearest whole number.

A9. Have you been working as internal auditor in other sectors (i.e. not public administration)?

- a. No
- b. Yes

If yes – for how long? _____ years

Please round to the nearest whole number.

II INITIAL (FORMAL) EDUCATION

B1. What is the highest level of formal education that you have completed?

- a. First degree from higher vocational education institution
- b. First degree from university higher education
- c. Magisterium / specialization / master degree
- d. Doctorate / PhD degree

First level higher education degree / bachelor degree

B2. Country of study: _____

B3. Type of institution:

- a. Public
- b. Private

B4. Name of university (if applicable): _____

B5. Name of faculty or higher vocational education institution:

B6. Earned qualification (title designation): _____

B7. Year of graduation: _____

Magisterium / specialization / master degree

B8. Country of study: _____

B9. Type of institution:

- a. Public
- b. Private

B10. Name of university (if applicable): _____

B11. Name of faculty or higher vocational education institution:

B12. What is the status of your study?

- a. Completed
- b. Not completed yet

B13. Qualification earned or pursued (title designation): _____

B14. Year of graduation: _____

B15. Country of study: _____

B16. Type of institution:

- a. Public
- b. Private

B17. Name of university: _____

B18. Name of faculty:

B19. What is the status of your study?

- a. Completed
- b. Not completed yet

B20. Qualification earned or pursued (title designation): _____

B21. Year of graduation: _____

B22. To what extent are the competencies that you have acquired during formal education relevant for performing your daily work?

- a. Not at all relevant
- b. Of little relevance
- c. Somewhat relevant
- d. Very relevant
- e. Of utmost relevance

B23. Is in your daily work required from you to perform activities for which you were not educated during your formal education?

- a. It is not required. Knowledge and skills I have acquired during formal education are fully matching the requirements of my work.
- b. Yes, but to a limited extent
- c. Yes, almost for half of activities I perform
- d. Yes, for the most of activities I perform
- e. Yes. Knowledge and skills I have acquired during formal education do not match the requirements of my work at all.

III NEEDS FOR PROFESSIONAL DEVELOPMENT

In this section we are interested to what extent do you need further professional development in order to perform these internal audit practices more effectively.

PART 1

<p style="text-align: center;">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p style="text-align: center;">Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C1	Preparing a strategic plan of internal audit for a three-year period (including the strategic goals of internal audit based on long-term goals of the organization and internal audit risk assessment).	1	2	3	4	5
C2	Preparing annual work plan of internal audit (containing general and specific objectives and purpose of the audit, which should be implemented during the year).	1	2	3	4	5
C3	Establishing risk-based plan to determine the priorities of the internal audit activity, consistent with the organisation's goals	1	2	3	4	5
C4	Communicating the internal audit activity's plans and resource requirements to senior management for review and approval	1	2	3	4	5
C5	Establishing policies and procedures to guide the internal audit activity	1	2	3	4	5
C6	Evaluating the design, implementation and effectiveness of the organisation's ethics-related objectives, programmes and activities	1	2	3	4	5
C7	Assess whether the information technology governance of the organisation supports the organisation's strategies and objectives	1	2	3	4	5

C8	Assessing whether organisational objectives support and align with the organisation's mission	1	2	3	4	5
C9	Assessing whether significant risks are identified and assessed	1	2	3	4	5
C10	Assessing whether appropriate risk responses are selected that align risks with the organisation's risk appetite	1	2	3	4	5
C11	Assessing whether relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff and management to carry out their responsibilities	1	2	3	4	5
C12	Evaluating risk exposures relating to achievement of the organisation's strategic objectives	1	2	3	4	5
C13	Evaluating risk exposures relating to reliability and integrity of financial and operational information	1	2	3	4	5
C14	Evaluating risk exposures relating to effectiveness and efficiency of operations and programmes	1	2	3	4	5
C15	Evaluating risk exposures relating to safeguarding of assets	1	2	3	4	5
C16	Evaluating risk exposures relating to compliance with laws, regulations, policies, procedures and contracts	1	2	3	4	5
C17	Evaluating the potential for the occurrence of fraud and how the organisation manages fraud risk.	1	2	3	4	5
C18	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the achievement of the organisation's strategic objectives	1	2	3	4	5
C19	Evaluating the adequacy and effectiveness of controls in responding to risks regarding reliability and integrity of financial and operational information	1	2	3	4	5
C20	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the effectiveness and efficiency of operations and programmes	1	2	3	4	5
C21	Evaluating the adequacy and effectiveness of controls in responding to risks regarding safeguarding of assets	1	2	3	4	5
C22	Evaluating the adequacy and effectiveness of controls in responding to risks regarding the compliance with laws, regulations, policies, procedures and contracts	1	2	3	4	5

PART 2

<p align="center">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p align="center">Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C23	Developing and documenting a plan for each engagement, including the engagement's objectives, scope, timing and resource allocations	1	2	3	4	5
C24	Establishing objectives for each internal audit engagement	1	2	3	4	5
C25	Conducting a preliminary assessment of the risks relevant to the activity under review	1	2	3	4	5
C26	Determining the extent to which management has established adequate criteria to determine whether objectives and goals have been accomplished	1	2	3	4	5
C27	Working with management to develop appropriate evaluation criteria for evaluating governance, risk management and controls	1	2	3	4	5
C28	Determining appropriate and sufficient resources to achieve engagement objectives based on an evaluation of the nature and complexity of each engagement, time constraints and available resources	1	2	3	4	5
C29	Developing and documenting work programmes for achieving the engagement objectives	1	2	3	4	5
C30	Identifying sufficient, reliable, relevant and useful information to achieve the engagement's objectives	1	2	3	4	5
C31	Documenting and filing relevant information to support the conclusions and engagement results (working papers)	1	2	3	4	5
C32	Preparing audit reports with conclusions, recommendations and action plans	1	2	3	4	5

C33	Recommending new control activities to management	1	2	3	4	5
C34	Recommending correcting or changing existing controls for the purpose of improving their effectiveness	1	2	3	4	5
C35	Recommending ensuring that existing controls are implemented constantly and consistently	1	2	3	4	5
C36	Recommending decreasing (discontinuing) redundant controls	1	2	3	4	5
C37	Monitoring the follow-up activities of management regarding the given recommendations	1	2	3	4	5

PART 3

<p style="text-align: center;">To what extent do you need further professional development in order to perform each of the practices more effectively?</p> <p style="text-align: center;">Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)</p>						
		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C38	Performing compliance audit (analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions)	1	2	3	4	5
C39	Performing performance audit (analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization)	1	2	3	4	5
C40	Performing information system audit (analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems)	1	2	3	4	5

C41	Performing audit of programs and projects funded by the European Union	1	2	3	4	5
C42	Performing financial audit (analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements)	1	2	3	4	5
C43	Reviewing whether all income and expenditure is adequately planned, controlled and monitored	1	2	3	4	5
C44	Reviewing whether appropriate budgets are established that are consistent with the organisation's strategic plan and financial forecasts	1	2	3	4	5
C45	Reviewing whether a suitable budgetary control framework has been developed	1	2	3	4	5
C46	Reviewing whether managers are provided with suitable expenditure reports	1	2	3	4	5
C47	Reviewing whether appropriate reporting system is in place to enable senior managers to effectively monitor the organisation's financial position	1	2	3	4	5
C48	Reviewing whether all cash income is collected, recorded adequately and promptly banked and that suitable banking (Treasury) services are obtained	1	2	3	4	5
C49	Reviewing whether all transactions, assets and liabilities relevant to the period of review have been recorded	1	2	3	4	5
C50	Reviewing whether the recorded transactions, assets and liabilities have been correctly and accurately valued or measured.	1	2	3	4	5
C51	Reviewing whether the recorded transactions, assets and liabilities have been properly classified and recorded in the organisation's financial records	1	2	3	4	5
C52	Reviewing whether all assets are kept securely, custody is clearly stated, and access is properly authorised	1	2	3	4	5
C53	Reviewing whether recorded assets and liabilities are in compliance with the regulation	1	2	3	4	5
C54	Reviewing whether all liquid financial assets are utilised efficiently	1	2	3	4	5
C55	Reviewing of income and debtor arrangements	1	2	3	4	5
C56	Reviewing of the completeness, occurrence, measurement, regularity and disclosure of purchases and payments	1	2	3	4	5
C57	Reviewing whether all goods and services required by the organisation are received, accounted and paid for efficiently.	1	2	3	4	5
C58	Reviewing of payroll and expense arrangements	1	2	3	4	5

C59	Reviewing whether non-monetary assets are properly safeguarded, verified and utilised effectively	1	2	3	4	5
C60	Reviewing of the public procurement procedures	1	2	3	4	5
C61	Reviewing whether purchases are done economically, efficiently and effectively	1	2	3	4	5

PART 4

To what extent do you need further professional development in order to perform each of the practices more effectively? Please mark one choice in each row. (If a given practice is not relevant for your job position, please mark the appropriate choice on the right)		High level of need	Moderate level of need	Low level of need	No need at all	This is not relevant for my job position
C62	Reviewing whether human resource management is conducted economically, efficiently and effectively	1	2	3	4	5
C63	Reviewing whether activities of central departments with responsibility for human resource management are adequately devised, assigned and carried out.	1	2	3	4	5
C64	Reviewing whether human resource recruitment is strategically planned, and conducted in a robust and open manner.	1	2	3	4	5
C65	Reviewing whether training needs are assessed and appropriate training is provided and evaluated.	1	2	3	4	5
C66	Reviewing whether there are adequate procedures for managing, developing and communicating with the people in the organisation.	1	2	3	4	5

C67	Reviewing whether there are adequate procedures for monitoring, improving and rewarding performance in the organisation.	1	2	3	4	5
C68	Using different methods of sampling including random, stratified, statistical sampling	1	2	3	4	5
C69	Performing compliance tests	1	2	3	4	5
C70	Performing substantive tests	1	2	3	4	5
C71	Performing analytical reviews (e.g. tests of financial information made by a study and comparison of relationships among data)	1	2	3	4	5
C72	Performing inspection through different techniques (re-computation, vouching, tracing book keeping records, physical examination and counts, confirmation)	1	2	3	4	5
C73	Utilizing observation and enquiry techniques	1	2	3	4	5
C74	Conducting interviews as a part of enquiry process	1	2	3	4	5

IV FURTHER PROFESSIONAL DEVELOPMENT

Please provide information for up to three, in your opinion, most important trainings (professional development activity) in the field of internal audit you have attended.

Professional development activity 1 / 2 / 3

D1/7/13. Please list the main topics of the training:

D2/8/14. Country where the training was held: _____

D3/9/15. Duration of the training in days: _____ days

D4/10/16. In which year the training was held: _____

D5/11/17. Who was the organizer of the training?

- a. Government / public administration entity
- b. International organization (EU agencies, World Bank, OEBS...)
- c. Donor organization
- d. Higher education institution
- e. Civil society organization
- f. For profit organization
- g. Other

D6/12/18. Whose initiative was to attend this training?

- a. My own initiative
- b. Initiative of my supervisor
- c. The training was part of obligatory professional development for civil servants
- d. Other



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use which may be made of the information contained therein*

D6a/12a/18a. If your answer on previous question was *Other* – please explain this answer:

D19. What is the most important motive for your further professional development?

- a. I want to improve my knowledge and skills in order to be more effective in my work
- b. I want to advance in my career and for that I need additional knowledge and skills
- c. I have forgotten many things I have learned during my previous education
- d. At the moment, I am not motivated for further professional development
- e. Other

D20. If your answer on previous question was *Other* – please explain this answer:

Annex 2: Guides for interviews and accompanying documentation

1. GUIDE FOR INTERVIEWS WITH HEADS OF FINANCE DEPARTMENTS

INTRODUCTION

This interview is conducted within the project FINAncial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra.

The main task of this interview is to gain insights into the practices of financial management and control, budget preparation and execution and accounting in your organization, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your colleagues and subordinates) to be more effective in daily work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 60 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.



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The main part of this interview will be dealing with three topics: financial management and control, program budgeting and budget execution and accounting. Before that we will start with few questions pertaining to your position and professional experience.

PART I BACKGROUND INFORMATION

- What is the scope of responsibility of the organization unit you are managing?
- How many civil servants are you supervising?
- How long have you been in this position? How long have you been in any managing position in the public administration?
- How long have you been working in this organization? How long have you been working in public administration altogether?

PART II FINANCIAL MANAGEMENT AND CONTROL

- Have you been involved in introducing financial management and control in your organization?
- In your view, what is the purpose of these processes?

Further, I would like to ask some questions about certain aspects of financial management and control. Let us start with **control environment**. The control environment sets the “tone” of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.

- What are the biggest challenges in the respect of creating an adequate control environment in organization?
- Would you say that everybody understands their role in the internal control system?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Another important aspect of financial management and control is **risk assessment**. Every organization faces a number of risks that may come from external or internal sources, which need to be assessed.

- How would you assess the practice of risk assessment in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Financial management and control entails **control activities** as well. Control activities are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity's goals.

- How would you assess whether control activities are implemented throughout the organization, at all its levels and within all functions?
- What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Effective communications, as another aspect of financial management and control, should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.

- How would you assess the effectiveness of information flow and communication in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Internal control systems should be monitored to assess the quality of system performance over time.

- How would you assess the effectiveness of monitoring internal control in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

PART III PROGRAM BUDGETING

Thank you for all the answers and thoughts you've provided. Now, we are going to move another topic of our conversation. It considers program budgeting practices.

- In your view what is the purpose of program budgeting?
- What do you see as biggest benefits of program budgeting in comparison to previous budgeting process? How does it show?
- How would you assess the effectiveness of program budgeting in your organization?
- What are the biggest challenges in this process? [*If a respondent does not mention some aspects of those listed below, ask about challenges for those not mentioned*]
 - Programming in relation to strategic goals of organization
 - Establishing objectives
 - Establishing performance indicators
 - Establishing direct¹¹ and indirect¹² costs

¹¹ the costs to be used exclusively for carrying out tasks within one program activity or project

¹² the costs to be used for implementing various programme activities and / or projects simultaneously

- Monitoring and reporting the achieved values through the use of selected indicators
- Incorporating EU pre-accession assistance (IPA) funds into program budget
- What competencies need to be improved to be more effective in program budgeting (yours and competencies of your colleagues and subordinates)?

PART IV BUDGET EXECUTION AND ACCOUNTING

Thank you for all the answers and thoughts you've provided. Now, we are going to move to the last topic of our conversation. It considers practices of budget execution and accounting.

One of main functions of finance departments entails preparing drafts of financial plan and subsequent budget implementation plans. In this respect, it is important to have data of high quality and transparency.

- How would you assess the effectiveness of these processes in your organization? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Assuring adequacy of financial and material documentation in terms of compliance with fiscal, accounting, financial and other relevant regulations is of utmost importance, as well as performing other types of control of financial documentation.

- How would you assess the effectiveness of these processes in your organization? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Budget execution subsumes, inter alia, working with financial management information system application run by the Treasury.

- How would you assess the effectiveness of this part of work of your department? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Key element of finance departments is the provision of adequate financial reporting at various levels of budget execution.

- How would you assess the effectiveness of these processes in your organization? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Working with European Union and co-financing funds asks for implementing procedures of financial management of European Union and co-financing funds.

- How would you assess the effectiveness of implementing these procedures? What are the biggest challenges here?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

One of the cornerstones of the reform of financial management in public administration is transition to accrual accounting.

- What is your opinion on this matter? What are the biggest challenges in this process?
- What competencies need to be improved in order to have effective transition to accrual accounting (yours and competencies of your colleagues and subordinates)?

In order to provide the management with high quality information it might be expected from finance departments to provide e.g. assessment of financial means required for the realization of different policies or regulations, analyzing the ability of organization to timely meet its financial obligations, predicting financial problems of organization before they become serious, etc.

- How would you assess how effective is your finance department in meeting these expectations? What are the biggest challenges here?
- What competencies need to be improved to be more effective in these tasks (yours and competencies of your colleagues and subordinates)?

The management accounting entails different complex practices such are cost-benefit analysis, cost-efficiency analysis, financial ratio analysis¹³, trend analysis¹⁴, analyzing non-financial information (with financial information) and so forth.

- How would you assess how effective is your finance department in performing these complex tasks? What are the biggest challenges here?
- What competencies need to be improved to be more effective in these tasks (yours and competencies of your colleagues and subordinates)?

Thank you so much for your time. Is there anything else you would like to add in relation to what we have been talking?

¹³ e.g. liquidity ratio, risk ratio, activity ratio...)

¹⁴ examining and determining the trends of items in financial statements over time

2. GUIDE FOR INTERVIEWS WITH GENERAL LINE MANAGERS

INTRODUCTION

This interview is conducted within the project FINancial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra.

The main task of this interview is to gain insights into the practices of policy management process, financial management and control and program budgeting in your organisation, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your colleagues and subordinates) to be more effective in your work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 60 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

The main part of this interview will be dealing with three topics: the policy management process, financial management and control and program budgeting. Before that we will start with few questions pertaining to your position and professional experience.

PART I BACKGROUND INFORMATION

- What is the scope of responsibility of the organization unit you are managing?
- How many civil servants are you supervising?
- How long have you been in this position? How long have you been in any managing position in the public administration?
- How long have you been working in this organization? How long have you been working in public administration altogether?

PART II POLICY MANAGEMENT PROCESS

Reforms in public administration place a lot of emphasis on improving the policy management process, i.e. planning, coordination, drafting, passing, implementation, implementation monitoring, analysis, impact assessment/evaluation of measures contained in policy documents and regulations.

First step in the policy management process usually entails identifying and defining an issue that needs to be resolved by new policy. In this phase of analysis and definition of the issue various analytical techniques may be employed such as the problem tree, SWOT analysis, PESTLE analysis, comparative legal analysis, consultations with stakeholders, and others.

- How would you assess effectiveness of identifying and defining an issue that needs to be resolved by new policy in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task of identifying and properly defining policy issues? Do you observe a need for your personal professional development in this respect? Please, explain.

Next step in the policy process entails defining general and specific policy objectives and performance indicators¹⁵ for measuring the achievement of objectives.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?

¹⁵ impact indicators (defined at the level of general policy objective); outcome indicators (defined at the level of specific policy objective), and output indicators (defined at the level of policy measures).

- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Next phase of policy management process would entail identifying policy options (possible measures for achieving objectives) and analysing impact of identified options, for example:

- financial impact analysis;
 - economic impact analysis (impact on the economy);
 - social impact analysis, with particular emphasis on the impact on the poor;
 - environmental impact analysis,
 - administrative impact analysis,
 - risk and uncertainty analysis
- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
 - What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

An organization preparing new policy should ensure participation of stakeholders and target groups in consultations about the new policy.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Policy implementation process entails also monitoring of new policy implementation and policy impact evaluation.

- How would you assess effectiveness of these processes in your organization? What are the biggest challenges?
- What competencies of civil servants in your organization need to be improved so they become more effective in the task? Do you observe a need for your personal professional development in this respect? Please, explain.

Thank you for all the answers and thoughts you've provided. Now, we are going to move another topic of our conversation. It considers financial management and control in your organization.

PART III FINANCIAL MANAGEMENT AND CONTROL

- Have you been involved in introducing financial management and control in your organization?
- In your view, what is the purpose of these processes?

Further, I would like to ask some questions about certain aspects of financial management and control. Let us start with **control environment**. The control environment sets the “tone” of an organization and has an impact on employee awareness about controls. It is the basis for all other components of internal control, providing discipline and structure. Control environment factors include employee integrity, ethical values and expertise, management philosophy and workstyle, the way in which the management assigns authority and responsibility, organizes and improves personnel.

- What are the biggest challenges in the respect of creating an adequate control environment in organization?
- Would you say that everybody understands their role in the internal control system?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Another important aspect of financial management and control is **risk assessment**. Every organization faces a number of risks that may come from external or internal sources, which need to be assessed.

- How would you assess the practice of risk assessment in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Financial management and control entails **control activities** as well. Control activities are policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions are taken to tackle risks jeopardizing the achievement of the entity’s goals.

- How would you assess whether control activities are implemented throughout the organization, at all its levels and within all functions?
- What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Effective communications, as another aspect of financial management and control, should flow down, across and upwards in the organization (and with external parties, as well) to facilitate the running and control of business.

- How would you assess the effectiveness of information flow and communication in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

Internal control systems should be monitored to assess the quality of system performance over time.

- How would you assess the effectiveness of monitoring internal control in your organization? What are the biggest challenges in this process?
- What competencies need to be improved to be more effective in this task (yours and competencies of your colleagues and subordinates)?

PART IV PROGRAM BUDGETING

Now, we are coming to the last part of our interview and it is related to program budgeting.

- Have you been taking part in program budgeting?
- In your view what is the purpose of program budgeting?
- What do you see as biggest benefits of program budgeting in comparison to previous budgeting process? How does it show?
- How would you assess the effectiveness **of programe budgeting** in your organization?
- What are the biggest challenges in this process? [*If a respondent does not mention some aspects of those listed below, ask about challenges for those not mentioned*]
 - Programming in relation to strategic goals of organization
 - Establishing objectives
 - Establishing performance indicators
 - Monitoring and reporting the achieved values through the use of selected indicators
 - Incorporating EU pre-accession assistance (IPA) funds into program budget
- What competencies need to be improved to be more effective in program budgeting (yours and competencies of your colleagues and subordinates)?

Thank you so much for your time. Is there anything else you would like to add in relation to what we have been talking?

3. GUIDE FOR INTERVIEWS WITH INTERNAL AUDITORS

INTRODUCTION

This interview is conducted within the project Financial management, Accounting and Controlling for capacity building of public administration (FINAC) under the EU programme ERASMUS +, subprogramme Capacity Building in Higher Education. The central aim of the project is to contribute to the higher quality of budgeting, money management, finance management, accounting and control in public administration. This aim will be achieved through developing master degree programmes in the field of financial management, accounting and controlling.

Project is implemented in Albania and Serbia and the project consortium involves 12 partners (from Albania, Serbia and four EU countries). Coordinating institution of the FINAC project is University of Belgrade, Faculty of Organisational Sciences. Partners from Albania are European University of Tirana and "Luigj Gurakuqi" University of Shkodra.

The main task of this interview is to gain insights in your experiences performing internal audit in your organisation, its positive aspects and ongoing challenges, and related perceptions of further professional development needed (for you personally and your subordinates) to be more effective in your work. This information will be used to guide the development of new master programmes so they are tailored to the real needs of public administration and its employees.

The interview is planned to last approximately 45 minutes. In order to be efficient and to accurately capture the meaning of what you said, I would like to ask for your consent to take audio record of this interview. This interview will be treated anonymously. All information that is collected in this study will be treated confidentially. You are guaranteed that neither you, this organization nor any of its personnel will be identified in any report of the results of the study.

PART I

- How many internal auditors are there in your organization? Is there an independent unit for internal audit?
- Do internal auditors in your organization work only internal audit or they have other duties as well?
- How long have you been working as internal auditor?
- What kind of education/training did you have in order to become / work as an internal auditor

PART II

- Would you say that the purpose, authority and responsibility of the internal audit is clearly defined in your organization? Please, explain.
- In your view what is the purpose of internal audit?
- What is the overall perception of the purpose and responsibility of internal audit in your organization? How do you explain that?

PART III

- Are you (involved in) preparing a **strategic plan** of internal audit and **annual work plan**? What challenges do you have with this?
- How would you assess how effective internal audit in your organization is in terms of evaluating organizational **risk exposures**¹⁶? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess how effective internal audit in your organization is in terms of evaluating **adequacy and effectiveness of controls** in responding to risks? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **compliance audit**¹⁷ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **performance audit**¹⁸ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of **financial audit**¹⁹ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?

¹⁶ Relating to achievement of the organisation's strategic objectives, reliability and integrity of financial and operational information, effectiveness and efficiency of operations and programmes, safeguarding of assets, compliance with laws, regulations, policies, procedures and contracts

¹⁷ analysing and assessing the compliance of organization's operations with the laws, regulations, internal acts and contractual provisions

¹⁸ analysing and assessing the utilisation of resources in an economical, efficient, and effective manner in order to achieve the goals of the organization

¹⁹ analysing and assessing the controls that ensure the accuracy and completeness of accounting data and financial statements

- How would you assess the practice of **information system audit**²⁰ that you perform? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of auditing **programs and projects funded by the European Union**? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- How would you assess the practice of auditing **human resource management** in your organization? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?
- Internal audit relies on using different **tests and specific techniques** (sampling, analytical, inspection, observation, enquiry etc.)? For which tests and techniques do you consider that you and /or your subordinates need additional improvement of competencies? Please, explain.
- How would you assess the practice of **reporting and communicating the results** and recommendation of internal audit to senior management and subsequent follow up (**monitoring of progress**)? What is particularly effective in this? What are the biggest challenges? What competencies need to be improved to be more effective in this task (yours and competencies of your subordinates)?

PART IV

- Having this conversation so far, could you summarize what would be the most important areas of internal audit for which you would like to enhance your competencies in order to be more effective in your work? What would that be when talking about you subordinates?
- When thinking about your organization in general what needs improvement the most so financial management and control becomes more effective, organization-wide approach? Please, explain.
- Do you have anything to add what you consider to be important for this interview that I did not ask you about?

²⁰ analysing and assessing the processes, procedures and use of electronic information systems relating to security, confidentiality, integrity and availability of information and information systems

Thank you for your time. FINAC reports will be publicly available and we would gladly send you when they are finished.



FINAC
FINancial management,
Accounting & Controlling
in public administration



Co-funded by the
Erasmus+ Programme
of the European Union

INTERVIEW CONSENT FORM

Research project title: FINancial management, Accounting and Controlling curricula development for capacity building of public administration

Thank you for agreeing to be interviewed as part of this research project. Ethical procedures that we are following require that interviewees explicitly agree to being interviewed and how the information contained in their interview will be used. This consent form is necessary for us to ensure that you understand the purpose of your involvement and that you agree to the conditions of your participation.

The interview will take up to 60 minutes. We don't anticipate that there are any risks associated with your participation, but you have the right to stop the interview or withdraw from the research at any time.

Would you therefore read the accompanying information sheet and then sign this form to certify that you approve the following:

- the interview will be recorded and a transcript will be produced,
- you may be sent the transcript and given the opportunity to correct any factual errors, if you express a wish to do so,
- the transcript of the interview will be analysed by (name of the researcher) as research investigator,
- access to the interview transcript will be limited to (name of the researcher) and academic colleagues and researchers with whom he might collaborate as part of the research process,
- any summary interview content, or direct quotations from the interview, that are made available through research reports and other forms of presentation will be anonymized so that you cannot be identified, and care will be taken to ensure that other information in the interview that could identify yourself is not revealed,
- the actual recording will be kept in secure password-protected file space until the end of the project (October 14, 2019) when it will be destroyed.

Your signature documents your permission to take part in this research. Please keep a copy for your records and please return a signed copy to the researcher.

Signature of subject	Date
Signature of person obtaining consent	Date

Annex 3: List of participating institutions in on-line survey and interviews

List of participating institutions in on-line survey

Name of Organization/Institution
1. Agency for Property Treatments
2. Agency of the Bankruptcy Supervision
3. Albanian Directorate of Patents and Trademarks(DDPM), Ministry of Finance
4. Albanian Geological Survey(GSA), Ministry of Energy and Industry
5. Albanian Investment Development Agency (AIDA), Ministry of Finance
6. Command of the Doctrine and Discipline KDS
7. Department of Treasury Operations, Ministry of Finance
8. Directorate for Financial Management and Control of the Ministry of Finance, Ministry of Finance
9. Directorate of Analysis and Programming Budget, Ministry of Finance
10. Directorate of Monitoring and Management of the Budget, Ministry of Finance
11. General Directorate of Bailiff
12. General Directorate of Harmonization of Public Internal Financial Control, Ministry of Finance
13. General Directorate of Prisons
14. General Directorate of Probation Service
15. General Directorate of Standardization(DPS), Ministry of Economic Development, Tourism, Trade and Entrepreneurship
16. General Directorate of Treasury, Ministry of Finance
17. Institute of Construction
18. Institute of Forensic Medicine
19. Internal Audit, Ministry of Finance
20. Ministry of Culture
21. Ministry of Economic Development, Tourism, Trade and Entrepreneurship
22. Ministry of Education and Sports
23. Ministry of Environment
24. Ministry of European Integration
25. Ministry of Finance
26. Ministry of Finance -General Directorate for Financing and Contracting of EU, World Bank and other Donor funds Central Finance and Contracting Unit/CFCU
27. Ministry of Justice
28. Ministry of Transport and Infrastructure
29. Ministry of Urban Development

30. National Agency of Protected Areas (NAPA), Ministry of Environment
31. National Environment Agency (NEA), Ministry of Environment
32. National Food Authority (AKU), Ministry of Agriculture and Rural Development
33. National Tourism Agency (AKT), Ministry of Finance
34. Payments and Remedies Directorate, Ministry of Finance
35. Public Accreditation Agency for Higher education (APAAL), Ministry of Education
36. Public Administration Department PAD
37. Public Financial Inspection, Ministry of Finance
38. Public Inspectorate of Education (ISHA), Ministry of Education
39. Research Institute of Forests and Pastures
40. Security Agency and the Defense Intelligence (AISM)
41. State Attorney
42. State Commission for Jurisdiction Aid
43. The Albanian Committee for Adoption
44. The Harmonization Directorate for Internal Audit, Ministry of Finance
45. The Official Publishing Centre
46. Transmission System Operator (Operatori i Sistemit te Transmetimit OST)

List of participating institutions in interviews

Name of Organization/Institution	
1.	Ministry of Finance
2.	Ministry of Economic Development, Entrepreneurship and Tourism
3.	Ministry of Education and Sports
4.	Ministry of Justice
5.	Ministry of Health
6.	Ministry of Social Welfare and Youth
7.	Ministry of Urban Development
8.	Ministry of Transport and Infrastructure
9.	Ministry of Energy
10.	Ministry of Defence
11.	INSTAT, Prime Minister Office